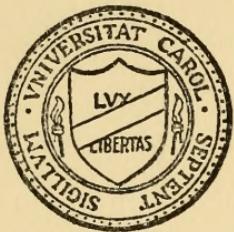


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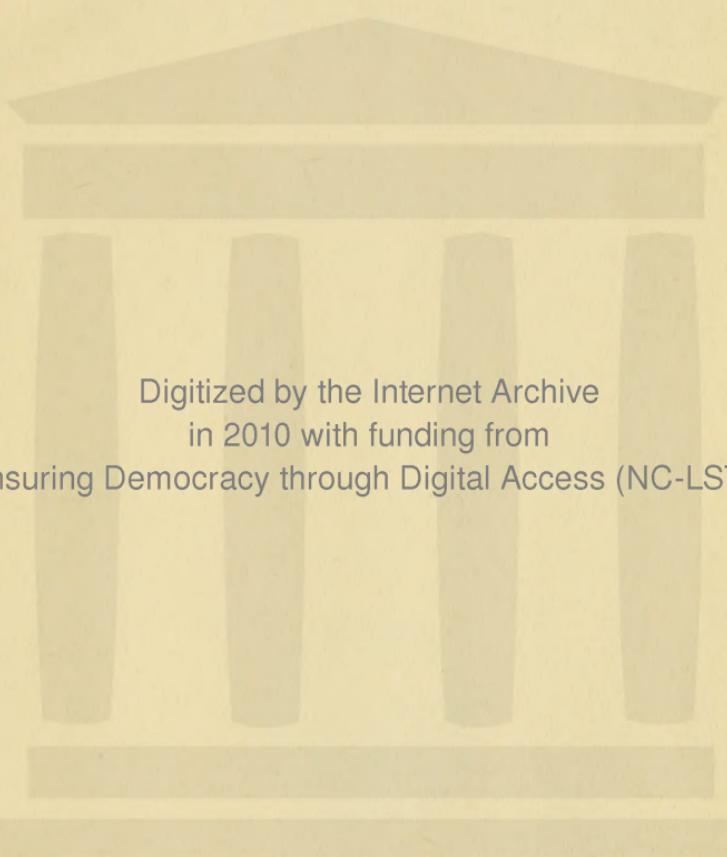


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BIENNIAL REPORT

OF

THE STATE'S PRISON

RALEIGH, N. C.

1925-1926

RALEIGH
THE STATE'S PRISON PRINTERY
1926

THE STATE'S PRISON, RALEIGH

This institution was founded by an act of the General Assembly, ratified the 12th day of April, A.D., 1869, entitled "AN ACT TO PROVIDE FOR THE ERECTION OF A PENITENTIARY." Reference is made to the act cited, and also to the Report of the Commission to erect a Penitentiary, Document Number 18, Legislative Documents, 1868-70.

The Prison building is a magnificent brick structure, erected upon granite foundation. The Prison wall is of granite, and is twenty feet in height and six feet broad at the top, and its base is said to extend sixteen feet below the surface. The building and wall are estimated to have cost the State more than a million and a quarter dollars.

The institution is situated about one mile west of the Capitol on the extension of Morgan street and near Hillsboro road.

The affairs of the prison are administered by a board of seven directors appointed by the Governor.

Two farms and eleven camps are operated. The Caledonia farm in Halifax County for white prisoners contains 6573 acres of which 4100 are under cultivation. The Camp Polk farm in Wake County for Negro prisoners contains 2680 acres of which 1100 are in cultivation.

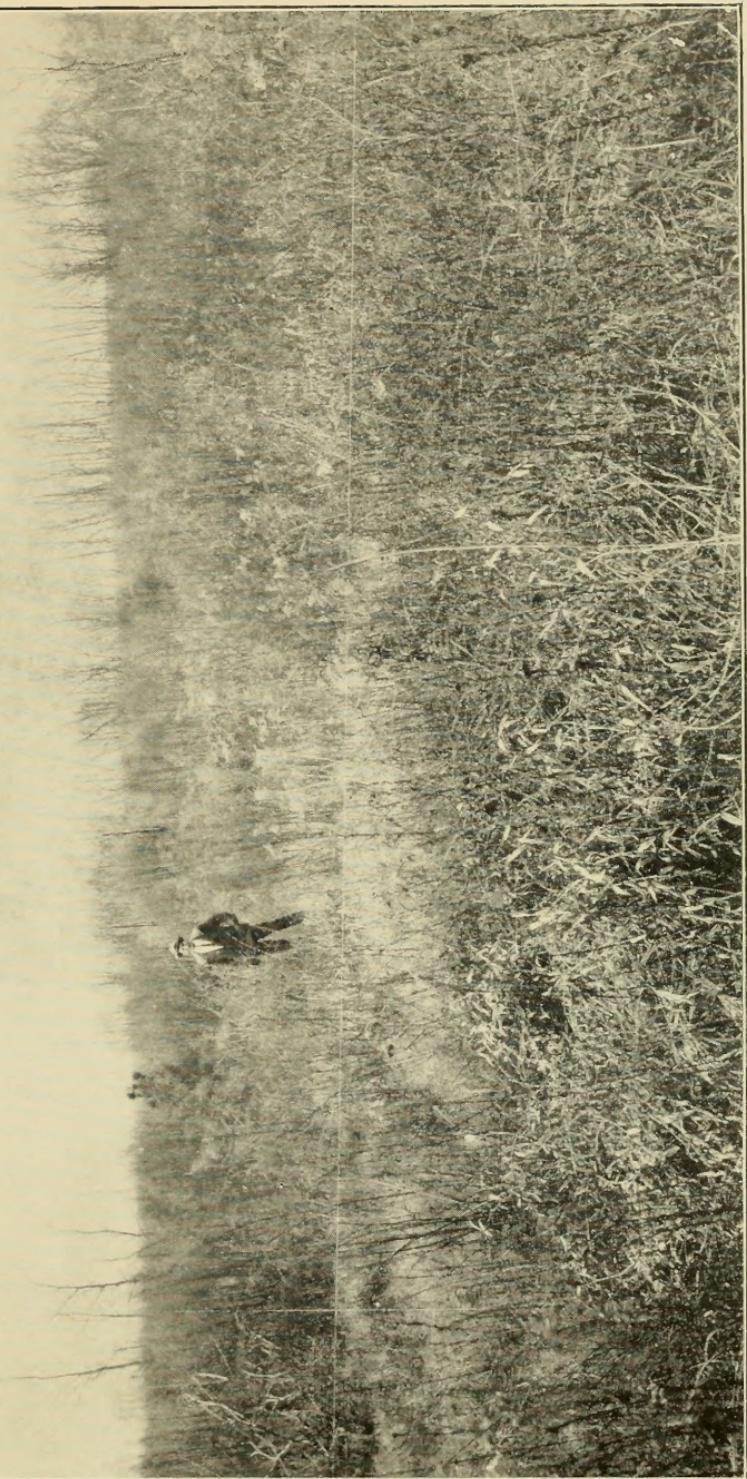
Founded	1869
Number of inmates	1,486
Assets	\$2,944,583.58
Liabilities (bills payable)	2,625.13
Total acreage	9,288

BOARD OF DIRECTORS OF THE STATE'S PRISON

JAS. A. LEAK, Chairman	Wadesboro
J. P. WILSON	Warsaw
J. M. BREWER	Wake Forest
B. B. EVERETT	Palmyra
R. M. CHATAM	Elkin
H. K. BURGWYN	Jackson
A. E. WHITE	Lumberton

SUPERINTENDENTS

<i>Name</i>	<i>County</i>
W. T. HICKS	Wake
PAUL F. FAISON	Wake
A. LEAZAR	Iredell
JNO. R. SMITH	Wayne
J. M. MEWBORNE	Lenoir
W. H. DAY	Wake
J. S. MANN	Hyde
J. J. LAUGHINGHOUSE	Pitt
J. R. COLLIE	Franklin
E. F. McCULLOUGH	Bladen
GEO. ROSS POU.....	Johnston



Typical View of Caledonia Prison Farm when Repossessed by the State's Prison in 1923. Much labor and money have been expended to rehabilitate this farm of 6,000 acres.

LETTER OF TRANSMITTAL

*To His Excellency, A. W. McLEAN,
Governor of North Carolina.*

SIR:—I hand you herewith for your consideration the reports of Mr. Geo. Ross Pou, Superintendent, Dr. J. H. Norman, Warden-Physician, Mr. Hugh A. Love, Clerk, and Mr. H. H. Honeycutt, Deputy Warden, for the biennium ended June 30, 1926.

In addition there is submitted audit reports for the calendar years ended December 31, 1925, and December 31, 1926. These reports have been received and approved by the Board of Directors and ordered transmitted to you. I desire to call your attention to the fact that the duties of the Superintendent are varied, manifold and continually increasing. He is the executive and administrative head of this Department, Financial Officer, Purchasing Officer, Budget Officer, in the final analysis the disciplinarian, and in addition directs the farming operations of the two immense Prison farms, totaling more than 7,000 acres. It becomes his duty to find employment for each prisoner under his control. In this he has been successful beyond our best expectations. In making inspectional trips of the various Prison Units it is necessary that he travel more than 1,500 miles to complete each tour. The Board has kept in close touch with the Superintendent and is fully informed as to the manner in which he has performed his duties and the Board wishes to commend his vision, energy, splendid ability and high degree of loyalty to the trust which has been reposed in him.

The Board acknowledges its indebtedness to Dr. J. H. Norman, the Physician-Warden, Mr. Hugh A. Love, Clerk, Mr. H. H. Honeycutt and other officials for the very satisfactory manner in which they have handled the duties incumbent upon them.

It is with pleasure that your attention is directed to the fact that the Prison has been operated at a profit for the past two years.

Respectfully

JAS. A. LEAK, *Chairman, Board of Directors.*

REPORT OF SUPERINTENDENT POU

To the Honorable Board of Directors of the State Prison Department:

As Superintendent of the North Carolina State Prison Department, I submit herewith for your consideration and transmission to His Excellency, the Governor of North Carolina, report of affairs of this Department for the biennium ending June 30, 1926.

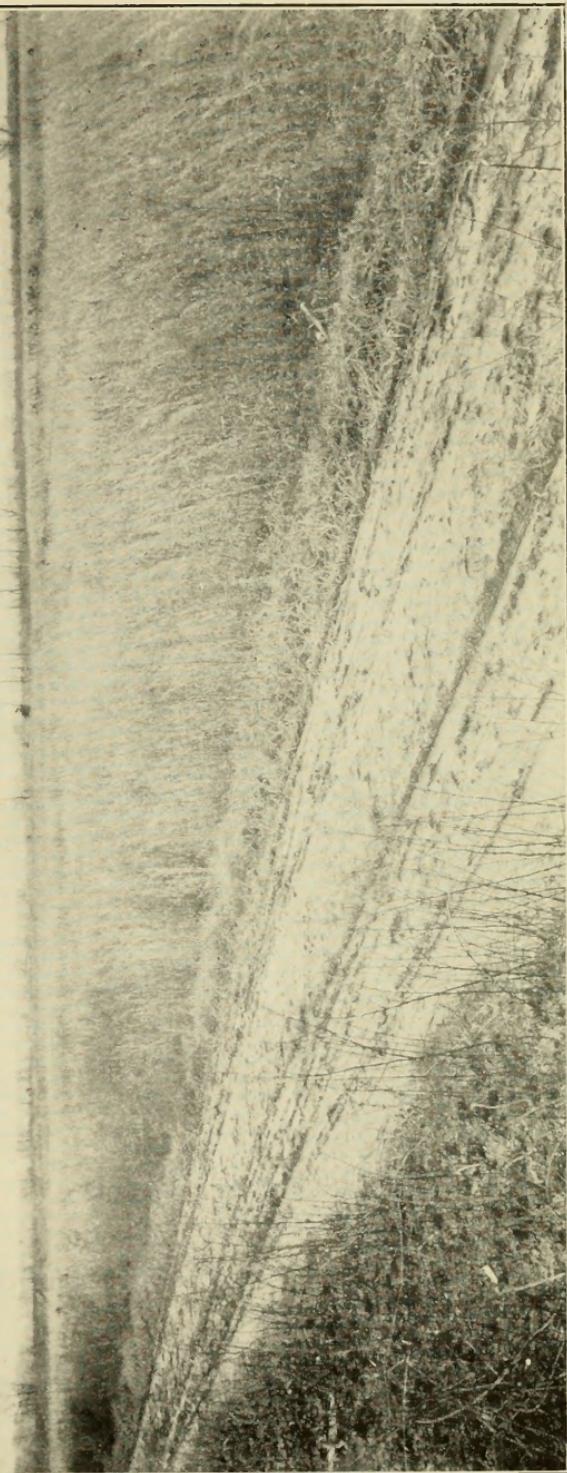
At the suggestion of the Director of The Budget Bureau this report has been delayed in order that auditors report for the calendar year 1926 might be incorporated. This is deemed wise, for any attempt to make a financial statement of this Department on June 30 of any year will bring forth misleading figures, one way or the other. This is true for the reason that this Department is extensively engaged in farming as one of its main industries, which produces a large source of revenue, having under cultivation nearly six thousand acres. Any one engaged in farming realizes how futile it would be to attempt making a worth while survey or estimate of the value of farm produce several months prior to harvest, particularly cotton.

I have caused to be prepared various tables dealing with the Prison population, which tables are appended hereto and made a part of this report. They are considered sufficiently self-explanatory to require little comment. Your attention, however, is directed to the continued increase in the population of the Prison. The increase for the two year period ending June 30, 1926 being 246, the population being 1486 as against 1240 on June 30, 1924. The population of the Prison has increased more than one hundred per cent in five years, the population in 1921 being 729 and 1486 in 1926. This heavy increase in such a short period has presented many complex and difficult conditions which have been met from time to time as best as possible, to such an extent that the report of the Auditors reveal operating profits for the Calendar years 1925 and 1926, as well as for the fiscal years ending June 30, 1925 and June 30, 1926.

FINANCIAL

The books of the Prison have been audited on a fiscal year basis, as directed by law with the following results:

The audit of Goodno and Steele, Certified Public Accountants, for the fiscal year ending June 30, 1925, reveals a profit of \$38,475.80.



ANOTHER VIEW OF CALEDONIA FARM Prior to REHABILITATION.

The audit of The National Audit Association, Certified Public Accountants, for the fiscal year ending June 30, 1926 discloses a profit of \$45,874.70.

Due to the fact that The State's Prison is so entirely different from the other State Institutions, in that its operations are comparable to the operations of large industrial enterprises and that farming on an immense scale is its principal industry, it is practically impossible to show a worth while statement on other than a statement of operations from January first to January first. Having this knowledge, the Director of the Budget has caused to be prepared audited statements of the affairs of The Prison for the Calendar years ending December 31, 1925 and December 31, 1926, with the following results:

The audit of Scott-Charnley and Company, Certified Public Accountants, for the calendar year ending December 31, 1925, shows an operating profit of \$42,543.31. Deducting, however, the sum of \$24,449.88 paid to prisoners upon discharge, in accordance with law, the total net profits of the State's Prison for the year ended December 31, 1925 was \$18,093.43.

The audit of George G. Scott Company, Certified Public Accountants, for the calendar year ended December 31, 1926 shows an operating profit of \$43,193.30. Deducting, however, the sum of \$18,578.46 paid to prisoner upon discharge, in accordance with law, the total net profits of the State's Prison for the year ended December 31, 1926 was \$24,614.84. Your attention is directed in particular to the great loss of anticipated revenue, due to the drop in the price of cotton. The inventory value of the 1926 cotton crop is approximately \$70,000.00 less than the inventory value of the 1925 crop.

The affairs of the prison have been run on a sound economical and business basis and conditions in every way have been bettered.

The text of the various audits will be found elsewhere in this report.

PURCHASE OF EQUIPMENT AND SUPPLIES

Purchase of equipment and supplies are made, when practical, on competitive bid. All bids submitted are on file in the office of the Assistant Clerk.

RELIGIOUS

Religious services are provided each Sunday at each point of confinement of State prisoners. In some instances services are also held at night during the week. A New Testament is given each prisoner upon

committment and he is encouraged to attend the weekly religious services. Tables dealing with church and Sunday school affiliations of all prisoners will be found in the clerk's report.

HEALTH AND SANITATION

Much time and money have been expended in caring for the health and sanitary conditions surrounding the prisoner, whether they be confined at the Central Prison in Raleigh, on one of the farms or in some isolated road or quarry camp. The Inspectional Reports of the State Board of Health indicate that all quarters used by State prisoners have been found by them to be kept in uniform and excellent condition. We have had no deaths from disease in any road or quarry camp during the biennium just closed, although the population of these camps has averaged about 500 prisoners and the camps have been scattered from the Tennessee line in the West to a point near Morehead City in the East.

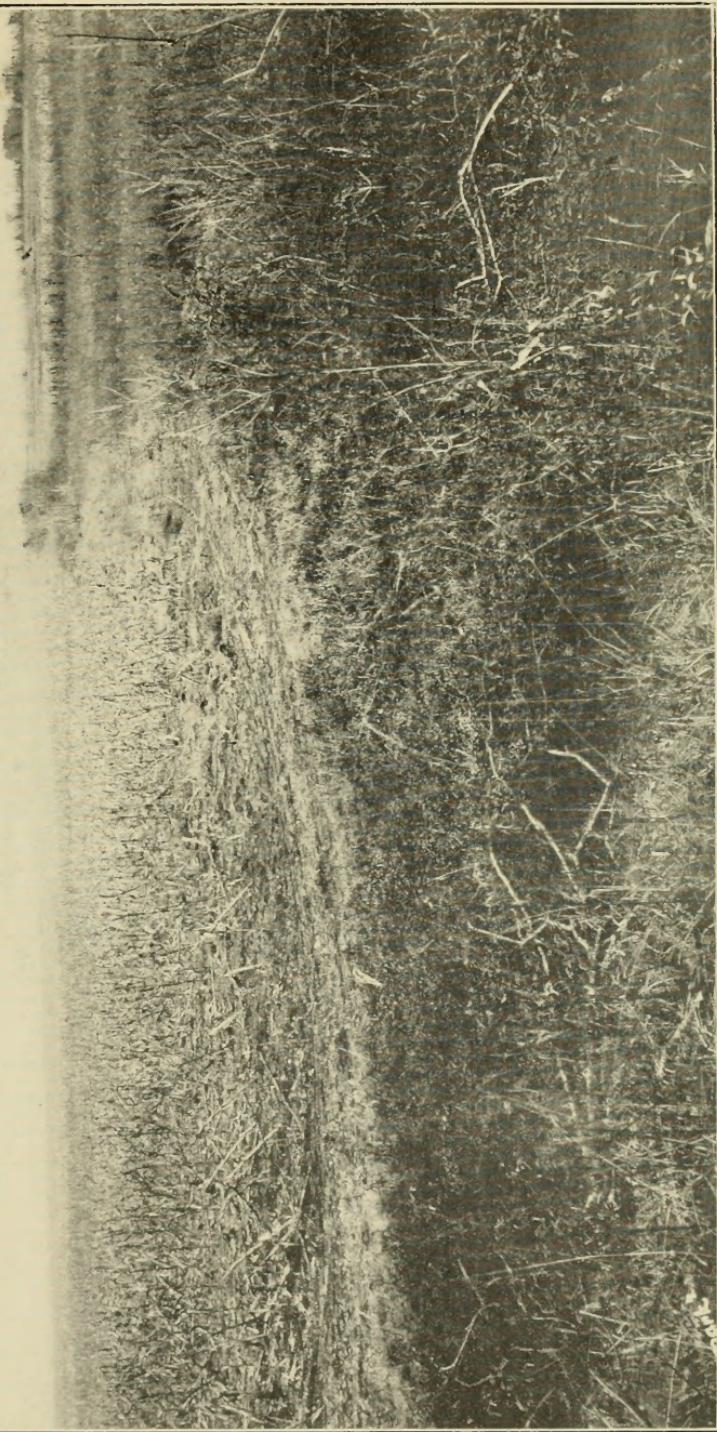
The prison physician, Dr. J. H. Norman, Jr., has made frequent visits to all road, quarry and farm camps, at which times he has examined prisoners as to health and inspected the quarters as to sanitation.

The average daily population of the Prison for the two year period ended June 30, 1926 has been 1,363 prisoners and there were only 24 deaths reported from all causes. Of this number five were tubercular and three heart disease. The death rate among State prisoners is below the death rate for the State for the years 1924 and 1925, although nearly all crippled, old and sickly prisoners are committed to The State's Prison rather than to the County roads.

A dentist has visited all points of confinement from time to time and given such dental treatment as in his opinion was conducive to the good health of the prisoners.

DANGEROUS INSANE DEPARTMENT

Since my last report the patients in the Dangerous Insane Department have been transferred, in accordance with an Act of the General Assembly of 1923. The white patients were transferred to the Hospital for the Insane at Raleigh and the colored patients to the Hospital for the Insane at Goldsboro. This transfer helped materially to partially relieve the congestion at Central Prison, at which point these patients had been confined.



VIEW SHOWING PORTION OF CALEDONIA FARM WHICH HAS BEEN RECLAIMED (LEFT) AND PLACED UNDER CULTIVATION. IN THE RIGHT FOREGROUND WILL BE SEEN A PORTION OF CALEDONIA NOT YET RECLAIMED.

TUBERCULAR WARD

All tubercular prisoners were transferred to the Prison Unit of the State Tubercular Sanatorium, as directed by law enacted by the General Assembly of 1923. Prisoners now received and who have tuberculosis are immediately transferred to the Tubercular Colony for treatment.

DISCIPLINE

No State convict has been "flogged" during the biennium. Nearly four years have now passed since the lash has been resorted to for punishment. Solitary confinement on an approved bread and water diet has proven very effective as the most severe form of punishment administered. On a whole the morale of the prisoners is good. Two cases of mutiny have been successfully coped with. Escapes per capita show a material decrease over former bienniums.

HONOR CAMPS

Several camps composed of honor grade prisoners have been maintained and with apparent success. These men are worked without guard but under the supervision of a Camp Supervisor. They have been used for farming, saw milling and the construction of State Highways and bridges. Very few have violated the confidence reposed in them and the percentage of escapes from these camps is less than from the camps in which prisoners are in stripes and who are guarded and worked.

INDUSTRIES AND TRADES

The following industries and trades are engaged in and taught: General farming, manufacture of fertilizer, electric welding, brick masonry, general electrical work, carpentry, painting, general saw milling, ginning, chair weaving, mattress and pillow making, air and electric drilling, firing, concrete work, tailoring, fancy work, laundering, cooking, milling accountancy, tractor and truck driving, cabinet making, blacksmithing, dairying, plumbing, upholstering, horticulture, shoe mending, finger printing, culvert making, raising and care of swine. Every effort is made "to fit a round peg in a round hole and a square peg in a square hole" in making selections for the placement of prisoners in the above named industries and trades. Many prisoners who have come to the Prison without any trade whatsoever have been released and immediately employed at good wages at the trade they have learned

while in Prison. This work is deemed constructive and important, as the discharged prisoner with a trade stands a much better chance to earn an honest living, thereby causing him to lay aside his life of crime, and in such instances such prisoners become an asset to the State rather than a continuing liability in the destruction of life and property, which would place the State to untold and continued expense in Court trials and in maintaining such prisoner in Prison. Particular attention is given and every effort made to bring about reformation of the prisoners.

CAMP POLK PRISON FARM

The Camp Polk Prison Farm is located about four miles west of Raleigh in Wake County and contains 2680 acres, more or less, of which 1075 acres were cultivated in 1925 and more than 1100 acres in 1926. One hundred prisoners and 73 horses and mules are required for the proper cultivation of this farm. The fertility of this farm has been continuously increased since its purchase in 1920. As evidence of this fact I advise that the cotton acreage and production of this farm have been as follows:

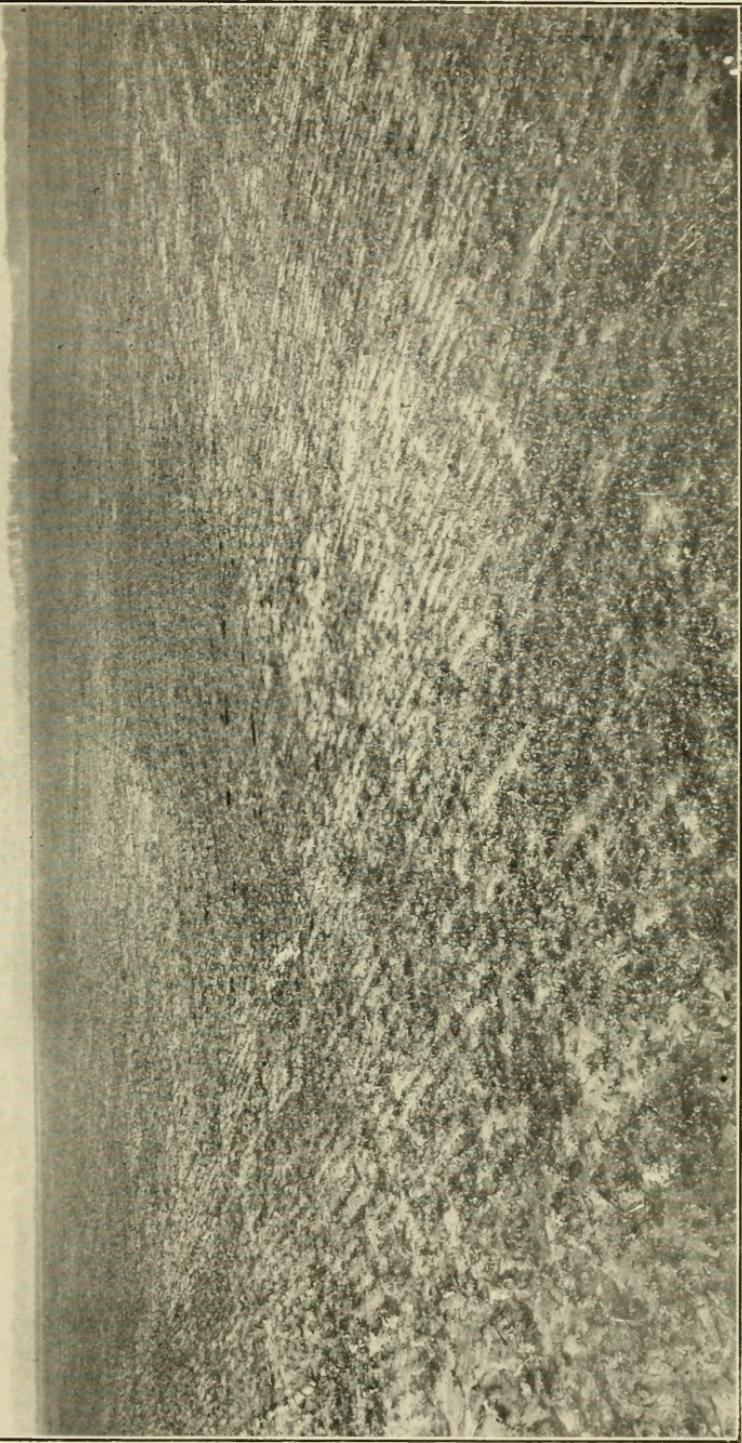
1921	400 acres	234 bales
1922	500 acres	441 bales
1923	500 acres	561 bales
1924	500 acres	578 bales
1925	400 acres	500 bales

Large and sufficient quantities of corn, forage, peas, beans, soy beans, wheat, oats, sweet and Irish potatoes, ensilage and pork for consumption at this farm have been raised. Particular attention has been given to the production of vegetables, pork and milk.

The auditors report for the calendar year 1925 show a net profit of \$10,671.11 on this farm and I feel that with a fair price for cotton a profit will be shown for the year 1926. At this time, however, our prospects for a good crop of any kind are very bad, due to the continued drought, which has visited this section of the State.

The team and equipment have been kept in excellent condition and the Superintendent, Mr. Jesse Hilliard, and his associates have been untiring in their efforts to have quantity production at minimum cost.

During the biennium more than 200 acres have been cleared and placed under cultivation.



VIEW CALEDONIA FARM JANUARY 1927. THIS FIELD WAS COVERED WITH HEAVY UNDERGROWTH OF WILLOWS ETC. WHEN THE PRISON REPOSSESSED CALEDONIA FARM IN 1923.

CALEDONIA FARM

This farm is located near the town of Tillery in Halifax County on the Roanoke River. After being owned and operated by The State's Prison for many years it was sold at auction in 1919 to various bidders. These bidders, with the exception of two, were unable to continue operation of the farm and to meet their payments. The farm, or most of it, lay idle for several years, during which period it grew up in heavy undergrowth, the ditches and canals filled, the bridges dilapidated and the roadways almost impassible.

With proper authority practically the entire farm of about 6000 acres was repossessed by The State's Prison in 1923, 1924 and 1925. For your information I quote the following from the report of Mr. G. A. Moore, who is the Superintendent in charge of Caledonia:

"The development and reformation of the Caledonia Farm, located in the County of Halifax, during the past three years, is an interesting story. Previous to the fall of 1923 this great project of almost 6000 acres had for three years been permitted to grow wild. The ditches were filled and overgrown in many places, the low grounds on the farm were a veritable wilderness, the roads required reshaping, the farm buildings and dwelling houses were in bad repair, and the entire acreage had to be worked over and put into shape for planting. This work was commenced with a force of less than one hundred prisoners, the spring of 1924 being devoted mainly to ditching and clearing land, the planting of cotton, spring oats and general truck. This work was done under the superintendency of the late Capt. C. J. Rhem. Camp No. 1 was known as the incorrigible camp, receiving the prisoners of desperate character and to Camp No. 2 were allotted the better grade prisoners and the youthful ones. An organization was built with a view to farming on an extensive scale in 1925. Prisoners were gradually drafted to the farm. December 31, 1925 showed the following prisoners in the various camps:

Camp No. 1.....	223 prisoners—white
Camp No. 2.....	242 prisoners—white
Camp No. 3.....	126 prisoners—colored

The crop raised in 1925 is best told by the following facts taken from the farm Inventory of December 31, 1925:

Estimated crop of cotton: 1964 bales. (The final figures showed that 2,078 bales was the actual crop.)

	<i>Bushels</i>
Corn	45,000
Peas	1,250
Peanuts	10,348
Soja Beans	200
Sweet Potatoes	5,090
Irish Potatoes	900

	<i>Tons</i>
Cotton Seed	321
Pea Vine Hay	100
Corn Shucks	25
Oats	12
Millet Hay	25
Fodder	4

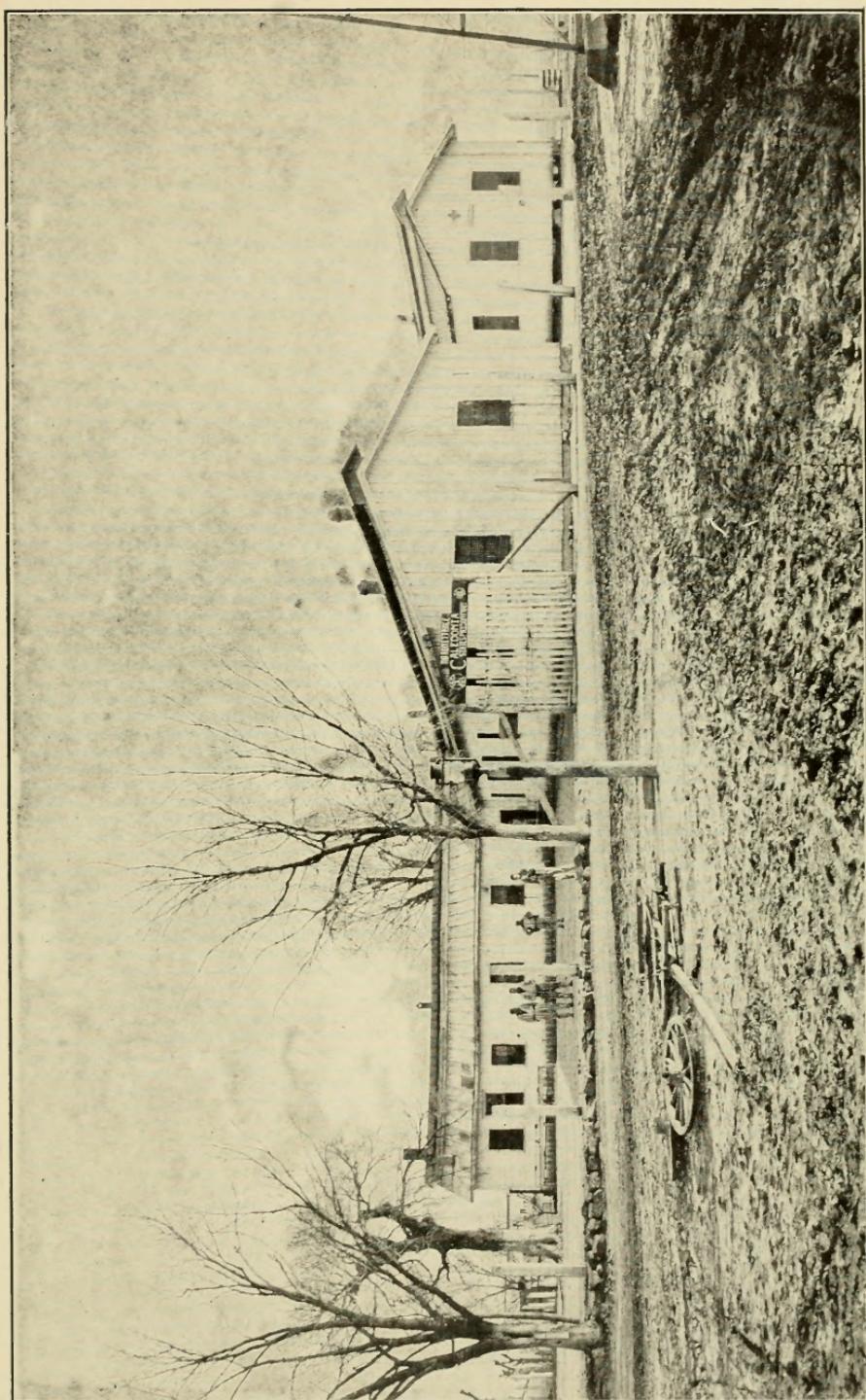
The above figures fairly represent the crops raised in the year 1925, but in addition to same, two large truck gardens have been operated for the feeding of the employees and prisoners, great quantities of garden produce having been raised.

The livestock to go in line with the progress of the farm was also greatly augmented. Over 25,000 pounds of hog meat was cured for storage. Also during the winter months hog killing for table use had been a monthly feature of farm activities.

The following tabulation of livestock from the Inventory of December 1925 is interesting:

Mules	192
Horses	27
Fattening Hogs	191
Sows	61
Boars	5
Shoats and pigs	316
Milk Cows	18
Heifers	8
Bulls	2
Calves	14

A special survey of the farm taken by prisoners under the direction of a Civil Engineer, who was a prisoner, elicited the following tabulations:



OLD STOCKADE CALEDONIA FARM, 1926.

Under cultivation	4101.53
Wooded	1227.08
Ditches in Field, 37 miles	74.50
Road on Farm, 44.5 miles	139.00
Total Acres on Farm	5542.11
Length of Canal (miles)	3.4
Length of Dyke (miles)	7.4
Total length of ditches (miles)	120

1926

Encouraged by the success of 1925, the Directors are carrying out a program of improvement and modernization of Caledonia Farm for 1926. The fertility, production and general condition of the farm are on the upward trend. A large new barracks of brick, steel and concrete is being erected. The building is to be modern in every detail and will accommodate 750 prisoners. The building will be attractive in appearance, is being built by Prison labor entirely and will be ready for occupancy early in 1927. This is a great and much needed progressive step, as the old barracks built of wood are now inadequate, unsafe and unsanitary to house the large number of prisoners confined on Caledonia.

The first of the year saw a General Office installed in the Rhem building, modern business methods introduced, an up to date perpetual inventory and checking system installed, a system of daily reports instituted, and this office made a general clearing house for the business of the Farm. This innovation has proven profitable and very satisfactory, the entire work being done by prisoners, adapted for this work by previous training.

A saw mill has been erected which is proving of great usefulness and also of considerable saving, as is also expected of the new flour mill and the cane mill, which are in course of erection.

The bridges have been strengthened and in many cases the wooden structures have been replaced by concrete culverts and arrangements have been made to paint the dwelling houses and buildings. Innumerable repairs have been made to the buildings. In this particular instance the value of the saw mill must be emphasized, as the lumber used is derived by way of the logging squad, relayed through the saw mill.

CROPS

The following tabulation of crops planted is self-explanatory:

	Acres
Cotton	2,200
Corn	1,200
Irish Potatoes	50
Sweet Potatoes	50
Peanuts	300
Wheat	300
Oats	300
Sugar Cane	25
Truck Garden	75

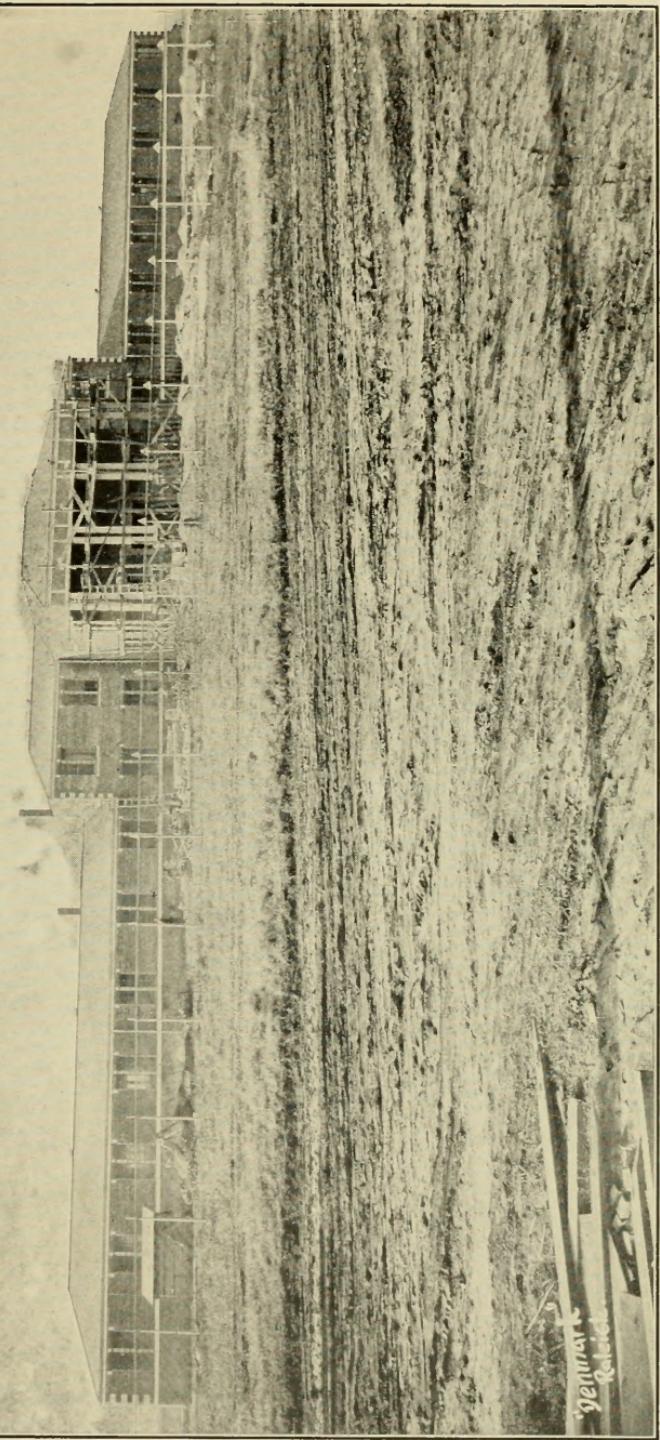
It should be stated that the land owned by Messrs. Fountain, Lawrence, Bass, and Tillery was purchased the first of January, placed in condition and farmed by the State.

In addition to the above general work pertaining to the Farm the fleet of trucks consisting of two Corbitts and four Fords, with a crew of ten to twelve men have hauled from Tillery for the new building 750,000 bricks, 3,000 barrels cement, 75 tons lime, 100 tons steel, 6 car loads of slate, all sand, gravel, lumber and material of every kind, not above enumerated used in construction of new building as well as the steel wire fencing for enclosure.

Attention is asked to the following extracts from the Inventory made June 30, 1926:

LIVESTOCK

Mules	204
Horses	37
Cows	22
Yearlings	16
Calves	16
Bull	1
Fattening Calves	2
Hogs	70
Large Shoats	218
Smaller Shoats	166
Sucking Pigs	121



FRONT VIEW NEW FIRE PROOF BARRACKS BUILDING AT CALEDONIA PRISON FARM. CAPACITY 750 PRISONERS. ERECTED WITH
PRISON LABOR AT SAVING OF \$80,000.00 ON ESTIMATED CONTRACT PRICE.

PRISONERS ON FARM

Camp No. 1.....	186	White
Camp No. 2.....	209	White
Camp No. 3.....	75	Colored

In connection with the wheat crop it is worthy of note that the yield was 32 7-10 bushels per acre.

In closing this report it should be stated, special attention is being paid to hog raising and food production on the farm and at this time indications point to this part of the farm's activities proving very profitable.

THE CENTRAL PRISON

Marked improvement has been effected in the morale of the prisoners and the general physical condition of the large Central Prison plant. This has been done under the joint supervision of Dr. J. H. Norman, Physician-Warden, and Mr. H. H. Honeycutt, Deputy Warden. Every effort has been put forth to reduce expenses without crippling the efficiency of the organization. The offices of Physician and Warden were consolidated upon the appointment of Dr. Norman, and at a saving of approximately \$3000.00 per annum. The report of Dr. Norman, the Physician-Warden, deals in detail with the Central Prison and will be found elsewhere in this report.

I desire, however, to particularly call your attention to the cash earnings at the Central Prison for the past two years, these earnings having totalled \$55,658.49. Prior to this period the cash earnings of the Central Prison were negligible. However, with the Installation of the Culvert Plant, the chair weaving department, the tailor shop, the laundry, the mattress department and other inside industries it has been possible to show cash earnings of \$55,658.49 as mentioned above. I desire to urge upon you a continuance of your policy with reference to inside industries to care for that class of labor which cannot be properly worked in heavier work. As you well know this class is increasing rapidly.

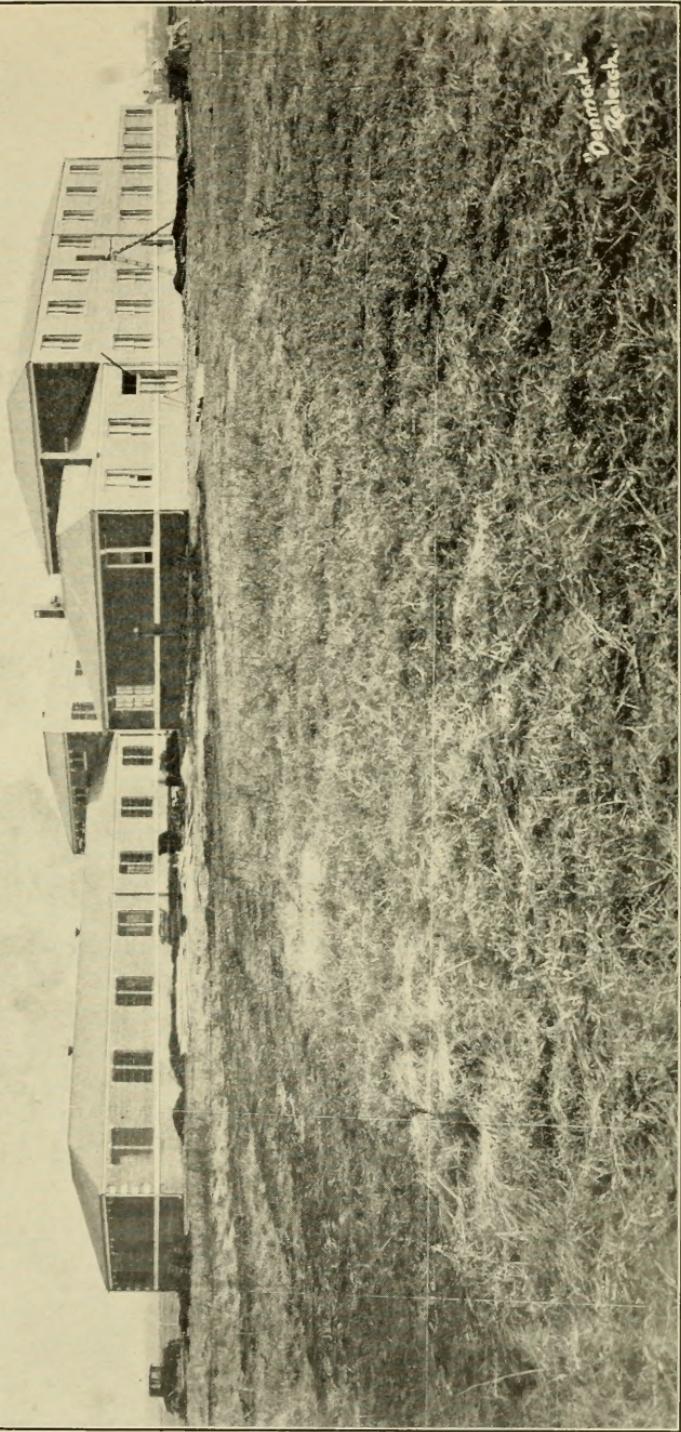
In conclusion I desire to extend my appreciation to each member of the Board of Directors for the confidence you have placed in me and for the willing and valuable assistance you have rendered without which the successful operation of the affairs of the Prison would not have been possible.

I also wish to thank the other officials and employees for the loyal support they have given me.

Respectfully,

GEO. ROSS POU,

Superintendent.



*"Denmark
Raleigh*

REAR VIEW NEW BARRACKS BUILDING, CALEDONIA FARM.

REPORT OF THE PHYSICIAN-WARDEN

To the Superintendent:

As Physician-Warden, I have the honor to submit the following biennial report for the period beginning June 30, 1924 and ending June 30, 1926.

During this time we have received 1,192 prisoners. Each prisoner has gone through the regular routine, which is as follows: The prisoner is taken immediately for a bath, hair cut, shave and clean suit. His old clothes are either destroyed or sent home. His card is then made out, which includes his weight, height, age, color, marks of identification, religion, education, occupation, nativity, etc. His finger prints and photograph are taken, a copy of which is sent to the Bureau of Identification at Washington, D. C., from there we get valuable reports on many of the prisoners past history. He is given a Bible, a book of rules and an individual drinking cup, also a short lecture as to what is required of him.

He is then examined by the physician as to his physical and mental condition. A record of this examination is kept on an indexed card, a copy of which goes with the prisoner to the camp or farm to which is he assigned. While on my regular inspection trips to the various farms and camps, I find the cards a great assistance and time-saver in rechecking the men's physical condition. This should also be a big help to the local physician. The prisoner is assigned to duty according to his physical and mental condition.

All prisoners are vaccinated for smallpox and typhoid fever. If there is any sign of syphilis a blood test is made. Occasionally a prisoner has positive signs of syphilis and the blood tests show negative. He is given a few doses of Salvarsan and then a blood test made again. This second blood test nearly always shows positive. If a prisoner is found to need an operation, this is done before he is sent out for work.

We now try to have the necessary dental work done for each prisoner before he leaves the Central Prison.

The diet is varied and all articles well prepared. This is evidenced by the better health and physical condition of the prisoners, who almost invariably gain weight after entering the Prison. We have very few complaints about the food and these are always from a class of men who are not accustomed to properly prepared food.

All prisoners are placed in "B" grade when they enter the Prison.

Some are found to be trustworthy and are placed in "A" grade, while some few disobey the rules or are incorrigible and are placed in "C" grade; others just drift along in "B" grade.

For the past several years I have been making regular inspection visits to the Prison camps throughout the State. While I am at these camps I look after the sanitary conditions, diet, water and general health of the prisoners and make such suggestions as I think necessary. I also make a physical examination of all the men, and when I find men who are not physically able to work or who are seriously sick, they are sent into Central Prison for treatment.

The 1,192 prisoners are classed physically as follows:

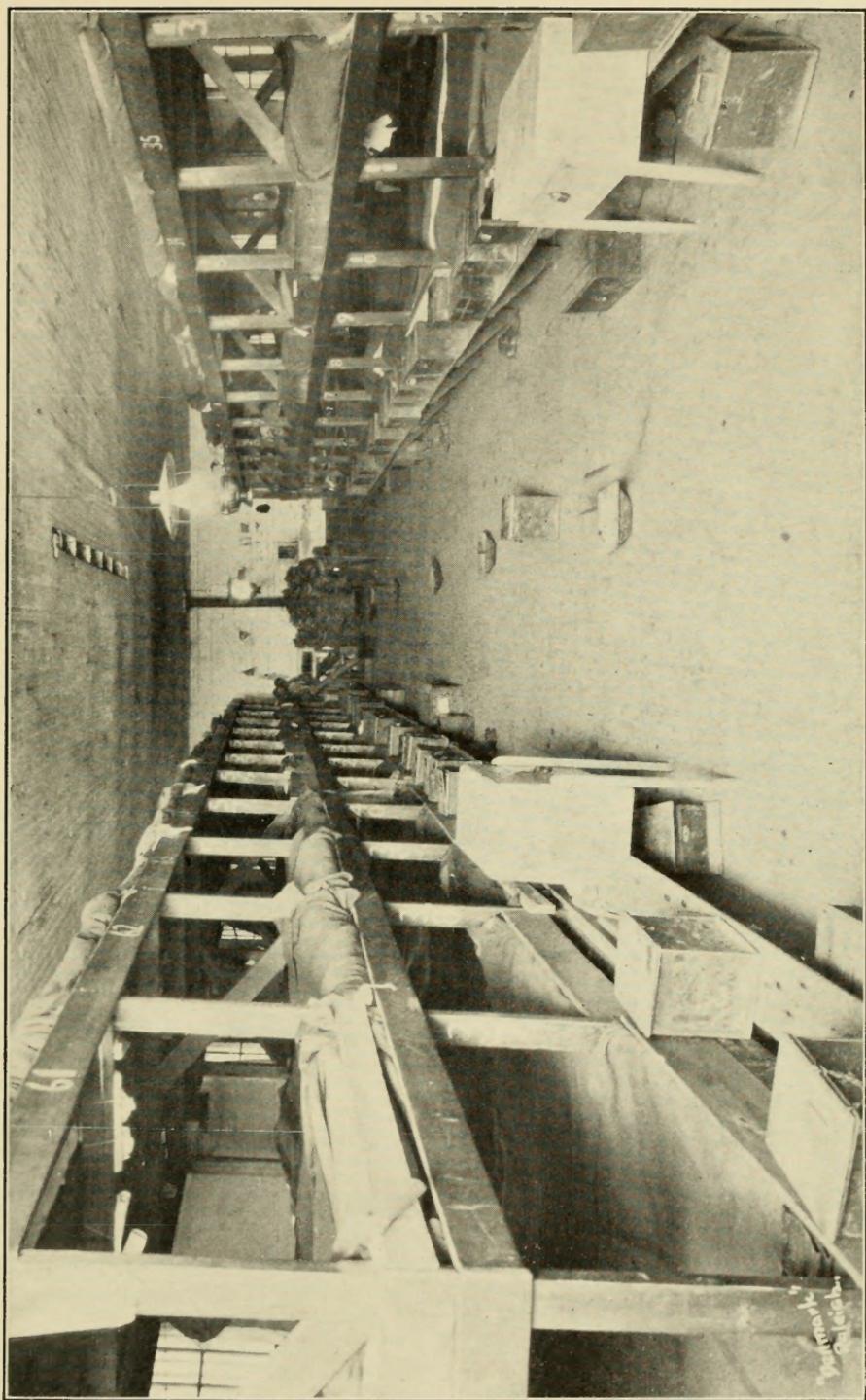
Grade "A" rating physically from 90 to 100	694
Grade "B" rating physically from 75 to 90	236
Grade "C" rating physically from 50 to 75	180
Grade "D" rating physically below 50.....	74
Grade "E" totally disabled	7
Three men escaped. All have been recaptured.	
Received for electrocution	32
Electrocuted	16
Commuted to life imprisonment	9
Held on appeal	7
Colored	27
White	5
For murder	27
For rape	5

The physically disabled prisoners at the Central Prison and those prisoners in transit are kept at work weaving chair bottoms for the Cranford Chair Company. This keeps the men busy and prevents them from getting in all sorts of mischief, until they are assigned to other duty.

The health of the prisoners is remarkable. The average daily sick for this period was six, (compared with thirty-eight in my previous report covering the years 1923 and 1924). Part of this was due to the tubercular who are now at the Sanatorium.

The number of sick and injured received from the camps and farms for treatment during 1924 to 1926 was 260.

Received from the Sanatorium as cured	6
Received from Criminal Insane at Raleigh as cured	4
Received from Criminal Insane at Goldsboro as cured	5



SLEEPING QUARTERS CALEDONIA FARM 1926. TRIPLE DECK WOODEN "BUNKS" BEING IN USE. TWO PRISONERS TO THE "BUNK,"

The number of deaths from 1924 to 1926 was as follows:

Tuberculosis	5
Hodgkins disease	1
Heart disease (organic)	3
Gunshot wounds	1
Malaria	1
Septicaemia	1
Paralysis	1

All prisoners who enter the Prison with venereal disease are held at Central Prison until cured. We received and treated the following:

Gonorrhoea (cured and discharged)	127
---	-----

Blood test for Syphillis as follows:

Negative	129
Positive	74

—
203

Of the positive, cured and discharged	67
Remaining under treatment	7
Intra Venous doses of Salvarsan	998

Eleven and one-half per cent of the prisoners received have syphillis and nine per cent have Gonorrhoea. The total venereal infection of prisoner received is about twenty per cent.

We received seven drug addicts during the period. They are all cured and at work.

We received thirty-eight cases of Scabies (itch) which were isolated until cured.

The following operations were performed during the period:

Appendicits	13
Removed tonsils	18
Removed gall stones	1
Removed eye	3
Hernia	3
Gunshot wounds	3
Knife wounds	2
Hemorrhoids	2
Bladder	1
Maxillary (jaw bone)	1

Mastoid	.....	1
Fistula	.....	2
Surgery of hand	.....	3
		53

The building is kept in the best possible sanitary condition, but it takes continual work and much expense to do this. The wiring throughout the building is in bad shape and dangerous. The plumbing is also in bad shape. Many of the numerous pipes are eaten up with rust and spring leaks almost daily. It is all a complete patchwork of old and new pipes. There is hardly any time that water can be gotten at all points on account of the workmen repairing some line.

The sewer lines also give much trouble.

The roof leaks at many points. We had an expert repair part of the roof, open the gutters and replace part of them at a great cost, but the roof still leaks.

The heating system is giving fairly good service.

The building has so much waste space that it takes an excess amount of heat, light and water to reach all parts. If it were more compact, this expense would be considerably less. I have moved the prisoners around and eliminated one building, which has materially reduced the expense of heat, water and light.

I have made some changes and done much repair work on buildings and grounds. The most expensive of which is as follows:

Overhauling generators and engines.

Replacing part of plumbing—main building and laundry

Installing new washing and sewing machines

Repairing fireburnt walls in Administration building

Building concrete porch on front and side of Administration building

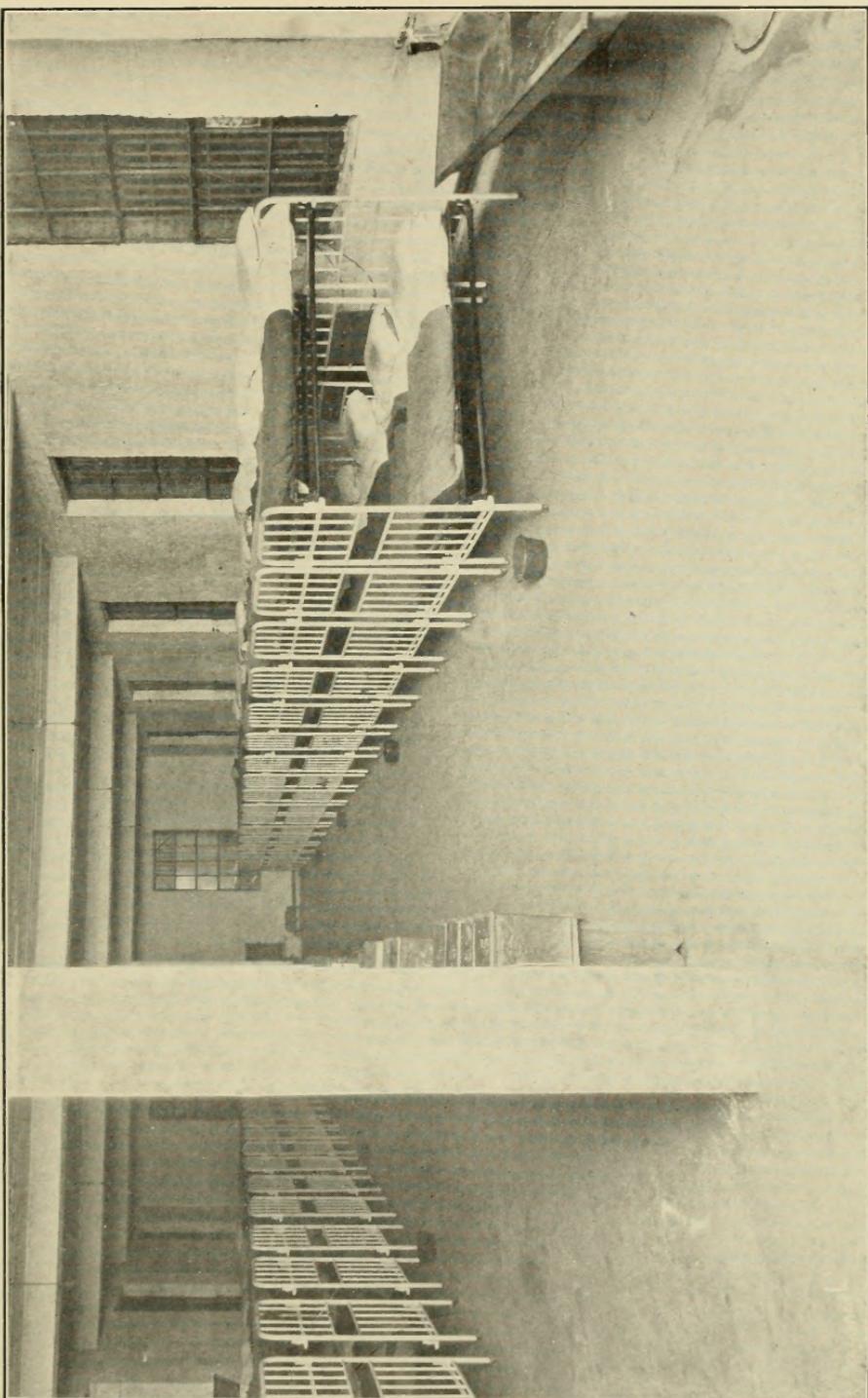
Installing heat in Superintendent's apartment and repairs on others

Rewiring part of the building and placing new lights on buildings

Building new guard post, mule stalls, cow shelter, blacksmith and carpenter shop, coal chute, moved coal yard, sowed six acres in permanent pasture for cows and mules and cleaned out and opened all ditches, many of which had been closed for years.

The old dilapidated buildings and fence in the back yard torn down and made a ball park for the prisoners. This ball park has been a great source of pleasure for the prisoners and has helped to keep up their morale. We joined the City League and had some good games.

The Prison property East of the Prison Wall, which was more or less a junk pile, has been cleaned up. The ravine in the North East corner of the yard, covered about an acre of ground and ten feet deep, has been filled in and is used for a wood yard.



FARM SLEEPING QUARTERS 1927. DOUBLE DECK STEEL COTS, ONE MAN TO THE COT, HAVE REPLACED THE OLD TRIPLE DECK WOODEN "BUNKS" WITH TWO PRISONER'S TO EACH "BUNK."

The old shop building in the back yard has been renovated, and is now used by the North Carolina State Highway Commission for a Concrete Culvert Factory. Thirty prisoners are furnished to work in their factory at a per diem.

There is an average of about fifty women. They do all the laundry and make all the prisoners clothes, except winter underwear. Those who are not kept busy at this, weave chair bottoms for the Cranford Chair Company and make prisoners suits for Rosner Sales Agency, who in turn sell them to the chain gangs throughout the State. I believe that this will eventually be very profitable.

We are making a good grade of shuck and cotton mattress for use at the various camps and farms. This is a much better and cheaper mattress in the long run than the straw mattress, which was formerly used. These mattresses last considerably longer and are more comfortable.

At the soap house in the back yard we use the scraps and make about eight barrels of soap monthly.

We have a model dairy inside the walls of the Prison, with a herd of nine cows. The dairy is screened and in good sanitary condition. The cows give from twenty-four to thirty-two gallons of milk daily. A separator was bought and a creamery installed in one of the rooms adjacent to the kitchen. There is a sixty-five ton capacity silo in connection with the dairy. We fill this silo during the fall with silage and have used it throughout the winter for the cows. This silage will last until we are ready to refill. We have seven acres of excellent permanent pasture back of the wall where the land was too rough to cultivate.

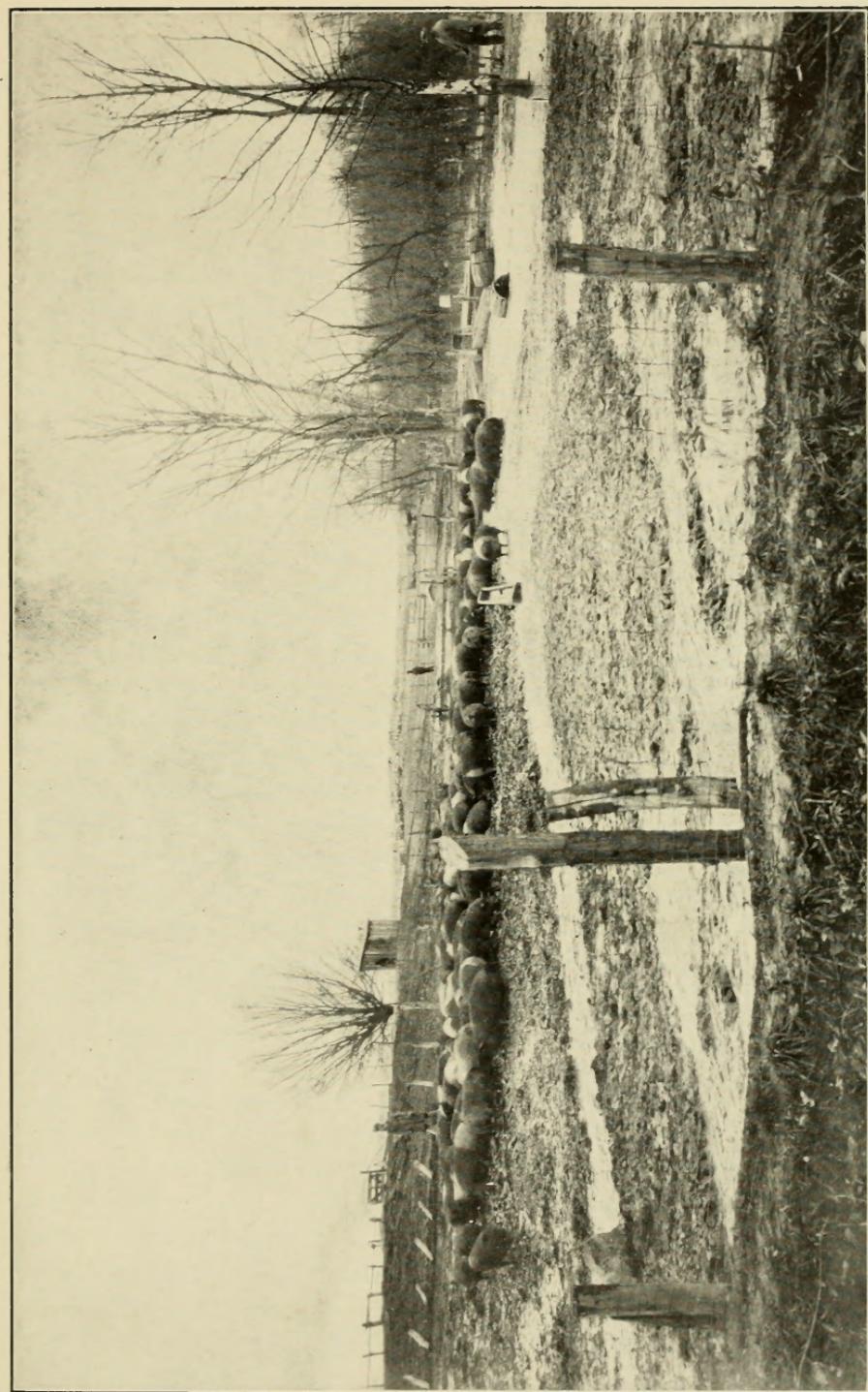
The "A" grade prisoners are segregated during meals. They sleep in "A" grade quarters, which are not under lock and key and are not guarded. They were segregated in May 1925 and since that time only one has been reported to me for infraction of rules. He was using profane language. There has never been any boisterous or profane language, rowdyism or quarrels of any kind except the one time.

It might not be amiss to give my view here of the form of punishment we are now using in the place of flogging. I have seen both forms tried and believe solitary confinement is far better in every respect. Am sure the records will show fewer repeaters. Some of the best men I have now have thoroughly tried out the solitary cell. Flogging would never have had the same effect.

In closing I wish to take this opportunity to thank the Prison Officials and Employees, all of whom have given their hearty coöperation for the welfare of the prisoners and economizing for the Prison.

Respectfully,

J. H. NORMAN, JR.,
Physician-Warden.



A PORTION OF THE 600 BLOODED HAMPSHIRE HERD ON CALEDONIA FARM. EVERY EFFORT IS PUT FORTH TO RAISE AS MUCH FOOD FOR PRISON CONSUMPTION AS IS PRACTICAL.

REPORT OF THE DEPUTY WARDEN

To the Superintendent:

SIR: As Deputy Warden and Director of the State Bureau of Identification I submit herewith biennial report for the period beginning June 30, 1924 and ending June 30, 1926.

All prisoners upon entering the Prison are given hair cut, shave and bath. Then returned to this office and listed as to serial number, term and crime. Full description is taken, as are references of their nearest relatives. I make two copies of finger prints, one copy is retained and filed in my office and one copy forwarded to the Department of Justice at Washington, D. C. The Department of Justice gives me a report on the former record of the prisoner, if any, and I file same with copy of the finger prints in this office. This is valuable information for the Prison Officials in regard to grading and working the men.

I also make photograph of each prisoner and file the same. When a prisoner escapes we get out a circular with full description of the man, with finger prints and photograph. One of these circulars is mailed to officers throughout the States and Counties. This has proven the most successful way to apprehend the escapes.

During this period we have recaptured eighty-seven, of this number forty-nine were first identified by their finger prints. I believe the making of the finger prints of a prisoner when he is admitted to the Prison makes a great impression on the majority of the men, realizing we have on file a lasting identification of them.

I think when all the Sheriffs and Chief of Police of the State get acquainted with the finger print system and establish a Bureau of Identification it will have more effect on the criminal element of the country than any one thing. It will give the solicitors and Courts something with which to check up on the criminals.

I believe that it would be well worth the expense of establishing a Bureau of Identification in each county; so that each solicitor might have the information of the Bureau. If each city and town would co-operate it would prove more beneficial.

I always give each prisoner a copy of the rules of the Prison and a Testament. I also give them a lecture as to how to make good while in the Prison. A large number seem to appreciate the advice, while some are indifferent.

During the period of two years I have made finger prints of 1,243

prisoners. This includes all that have been received at the Prison during this period.

I have also received around 500 prints from the different States, and by our coöperation with them has been the cause of apprehending a great number of escapes.

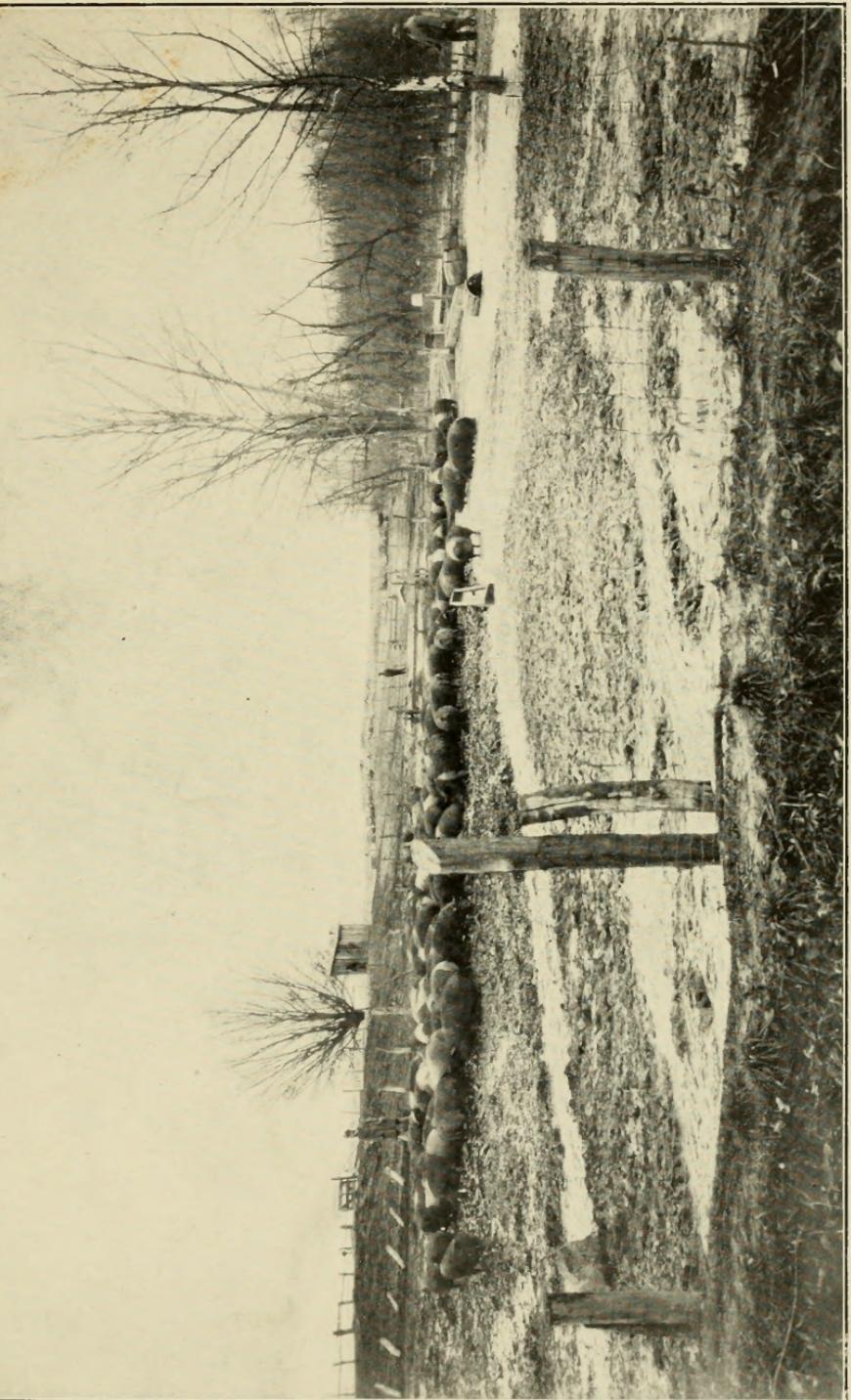
I wish to thank the Officials and employees for their coöperation with this office.

Respectfully,

H. H. HONEYCUTT,

Deputy Warden, Director Bureau Identification.

A PORTION OF THE 600 BLOODED HAMPSHIRE HERD ON CALEDONIA FARM. EVERY EFFORT IS PUT FORTH TO RAISE AS MUCH FOOD FOR PRISON CONSUMPTION AS IS PRACTICAL.



REPORT OF THE CHIEF CLERK

MR. GEO. Ross Pou,

Superintendent, The State Prison Department.

SIR:

I hand you herewith statistical data relative to the prisoners received and under your control for the biennium ended June 30, 1926.

I also submit herewith report of Auditors of the books in my office for the fiscal year ended June 30, 1925 and June 30, 1926. In addition you will find audit reports for the calendar year 1925 and the calendar year 1926.

Respectfully,

HUGH A. LOVE,

Chief Clerk.

TABLE No. 1

Population Record of Prison from June 30, 1924 to June 30, 1926.

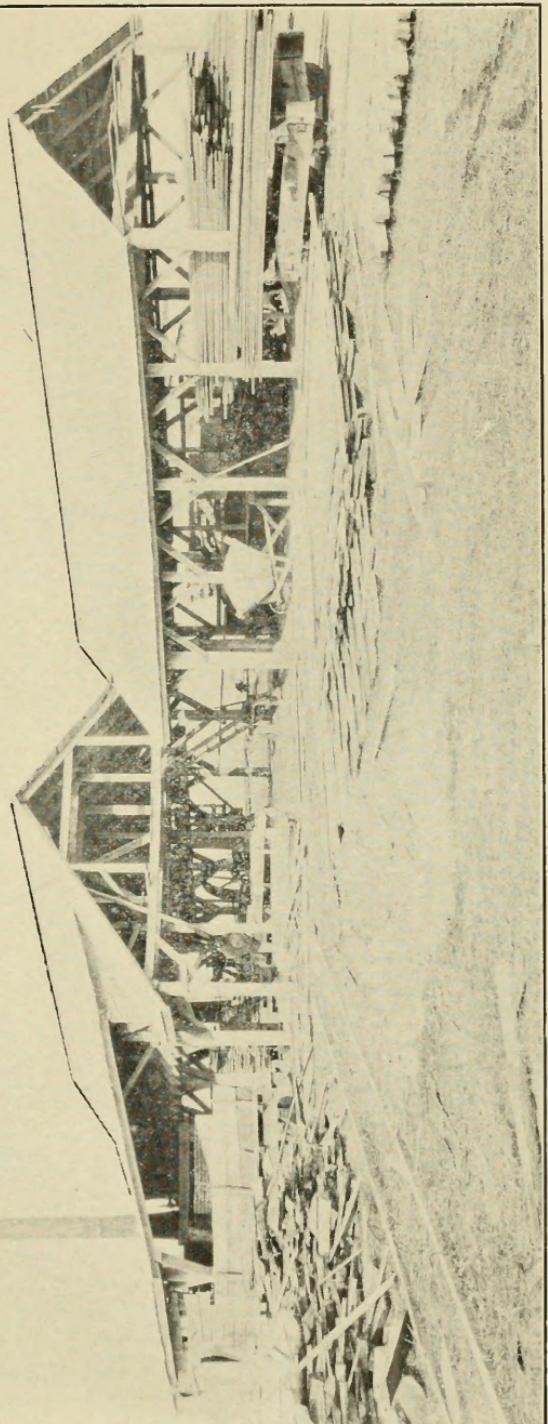
Prisoners remaining June 30, 1924	1,240
Received from Counties	1,192
Received by revocation of parole	3
Recapture of escapes	87
 Total received	 2,522
 Discharged by expiration of sentence	 649
Pardoned or paroled	139
Deaths from all causes	24
Escaped	117
Transferred to Insane Hospitals and Sanatorium	107
 Prisoners remaining June 30, 1926	 1,036
 Prisoners remaining June 30, 1926	 1,486

TABLE No. 2

Death among prison population from June 30, 1924 to June 30, 1926.

Deaths from all causes	24
Average population two years	1,363
Percentage of deaths per year .....	.0087
Per cent of deaths in State 1924 .....	.0122
Per cent of deaths in State 1925 .....	.0115

This death rate percentage of the State is from records of the State Board of Health, Bureau of Vital Statistics for 1924 and 1925. This shows prison death rate below the State average for 1924 and 1925.



THE SAW MILL, CALEDONIA FARM. ERECTED 1926. THIS PLANT FURNISHES NECESSARY LUMBER FOR USE AT CALEDONIA,
OPERATED WITH PRISON TRUSTIES.

TABLE No. 3

Distribution of Prisoners June 30, 1926.

Central Prison	282
Camp Polk Farm	118
Camp Number one Caledonia	186
Camp Number two Caledonia	210
Camp Number three Caledonia	75
Barham Camp	40
Berry Camp	71
Ranes Camp	133
Champion Camp	39
Gulleys Camp	18
Ewings Camp	49
Holloways Camp	54
Bakers Camp	131
Hights Camp	59
Rollins Camp	21
<hr/>	
Total	1486

TABLE No. 4

Races and sex of prisoners confined on June 30, 1926

White males	609
White females	14
Colored males	811
Colored females	52
<hr/>	
Total	1,486

TABLE No. 5

Social Relations of prisoners received from June 30, 1924 to June 30, 1926.

Married	501
Single	641
Widows	20
Widowers	30
<hr/>	
Total	1192

TABLE No. 6

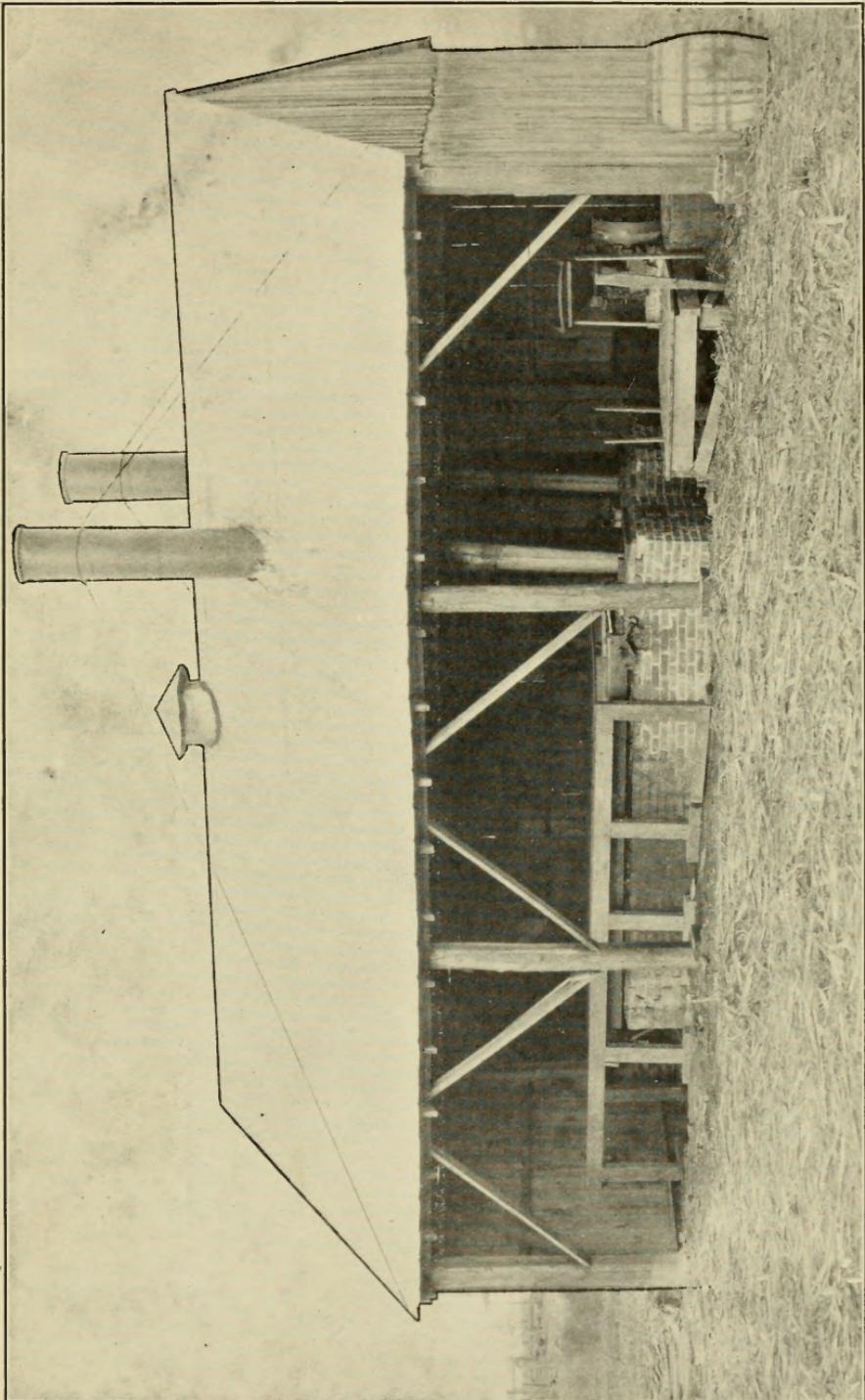
Religious record of prisoners prior to conviction, received from June 30, 1924 to June 30, 1926.

Attended Sunday School	451
Attended Church and Sunday School	390
Attended neither Sunday School nor Church	351
 Total	 1,192

TABLE No. 7

Crimes for Which prisoners were sentenced from June 30, 1924 to June 30, 1926.

Infanticide	1	Forgery and embezzlement	3
Burglary	19	Highway robbery and larceny	4
Seduction	7	Store breaking	20
Abortion	2	Breaking, entering, larceny and receiving	21
Burning Barn	4	Aiding and abetting	2
Rape	4	Burning dwelling	3
Murder first degree	9	Robbery	21
Felonious breaking	4	Concealing birth of child	3
False pretense and conspiracy	2	Delivering pistol to prisoner	1
Dynamiting house	1	Passing worthless checks	2
Selling whiskey	4	Escape	2
Grand larceny	1	Castration	9
Transporting whiskey	1	Accepting bribe	1
Manslaughter	137	Bank robbery	3
Assault intent rape	5	Fornication and adultery	1
Attempt rape	32	Violating banking laws	3
Housebreaking	30	Incest	10
Bigamy	25	Carnal knowledge of girl under 16	20
Abortion and prostitution	1	Attempt arson	1
Burglary second degree	15	Arson	5
Larceny	126	Assault intent to kill	29
Housebreaking and entering	22	Accessory after fact	2
Kidnaping	4	Storebreaking and larceny	16
Embezzlement	12	Prostitution	2
Carbreaking and larceny	8	Elopement	2
Forgery	49	Breaking and entering	20
Murder second degree	132	Abandonment	1
Secret assault	10	False pretense	9
Highway robbery	22	Manufacturing whiskey	14
Automobile theft	31	Larceny and receiving	82
Receiving stolen goods	17	Housebreaking and larceny	56
Larceny from person	12	 1,192	
Assault deadly weapon	26		
Store burning	2		
Store breaking	40		
Crime against nature	7		



THE CANE MILL, CALEDONIA FARM, ERECTED 1926. 5,000 GALLONS SORGHUM SYRUP WERE RAISED ON CALEDONIA IN 1926.

TABLE No. 8

Occupation of prisoners prior to conviction, received from June 30, 1924 to June 30, 1926.

Laborers	776	Electricians	9
Farmers	160	Office Work	2
Preachers	2	Barbers	10
Painters	23	Grocery clerks	2
Clothes Pressers	4	Cafe worker	1
Clerks	5	Telegraph operator	1
Mechanics	13	Cement worker	1
Doctors	2	Plasterer	1
Plumbers	8	Timekeepers	2
Cooks	29	Butchers	3
Brick masons	2	Domestic	1
Traveling salesmen	3	Shoemaker	1
Carpenters	13	Candy maker	1
Linemen	2	Automobile mechanics	34
Boiler makers	2	Automobile salesman	1
Textile workers	14	Insurance	1
Bookkeepers	3	Housewife	1
Printers	2	Sheet metal worker	1
Firemen	16	Salesmen	2
Teachers	1	Watchmaker	1
Blacksmiths	8	Shoe shiner	1
Railroad conductors	1	Grocer	1
Clerk of court	1	Engineer	1
Janitor	1	Real estate dealer	1
Merchants	8	Hotel waiter	1
Butlers	2	Decorator	1
Bankers	3	Pressman	1
Tailors	3		
Lawyer	1		1,192

TABLE No. 9

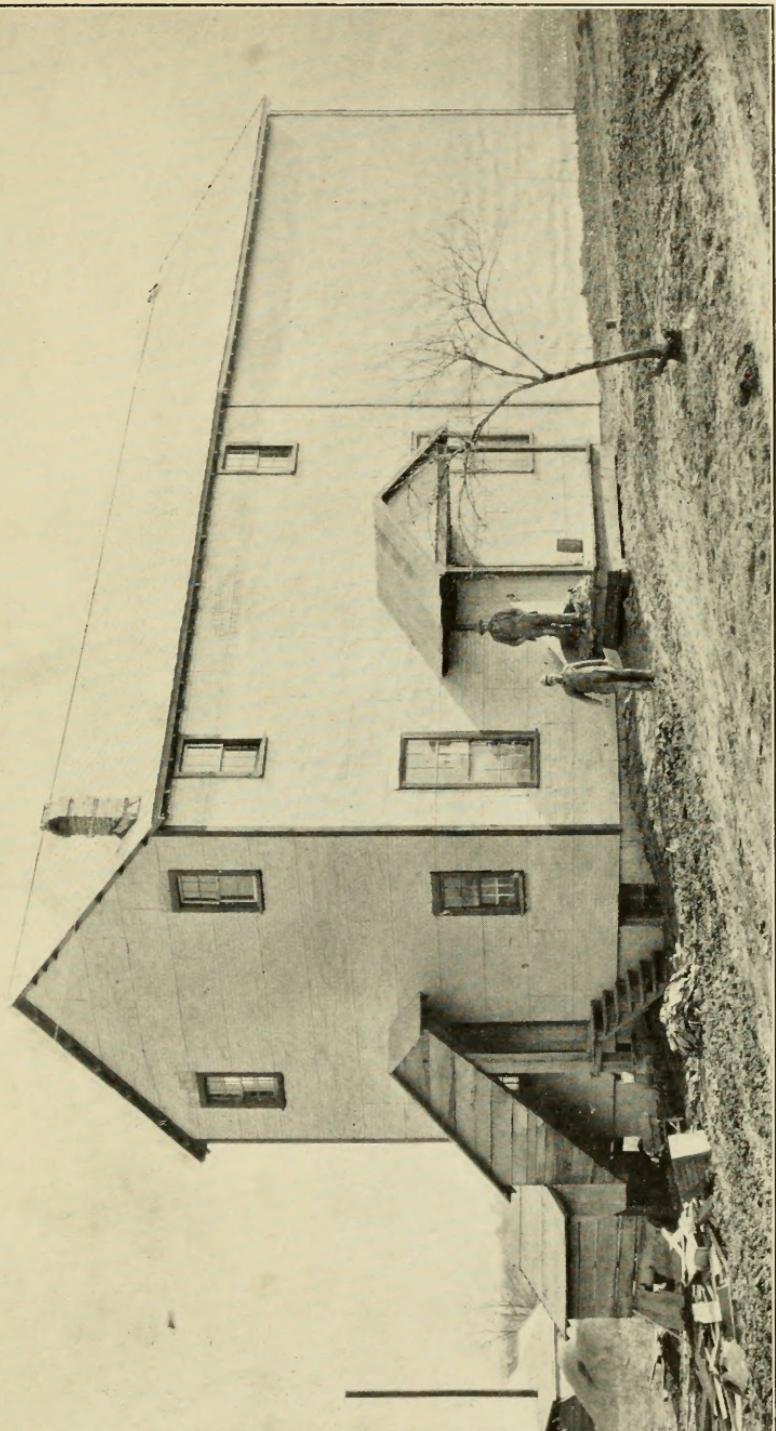
Ages of prisoners received from June 30, 1924 to June 30, 1926.

14 to 20 years	310
20 to 30 years	495
30 to 40 years	240
40 to 50 years	85
50 to 60 years	48
60 to 70 years	12
70 to 80 years	2
Total	1192

TABLE No. 10

Number of prisoners received from each county from
June 30, 1924 to June 30, 1926

Alamance	9	Lee	16
Alexander	2	Lenoir	13
Alleghany	2	Lincoln	4
Anson	13	McDowell	9
Ashe	3	Madison	4
Avery	13	Martin	12
Bertie	8	Mecklenburg	57
Beaufort	10	Mitchell	6
Bladen	5	Montgomery	5
Brunswick	3	Moore	15
Buncombe	51	Nash	11
Burke	14	New Hanover	15
Carbarrus	8	Northampton	6
Caldwell	7	Onslow	3
Carteret	1	Orange	14
Caswell	4	Pender	2
Catawba	19	Pasquotank	15
Chatham	11	Perquimans	8
Cherokee	2	Person	3
Chowan	7	Pitt	25
Cleveland	18	Polk	5
Camden	1	Pamlico	1
Columbus	6	Randolph	10
Craven	14	Richmond	12
Currituck	4	Robeson	36
Cumberland	15	Rockingham	7
Davidson	22	Rowan	9
Davie	2	Rutherford	13
Duplin	12	Sampson	9
Durham	24	Scotland	10
Edgecombe	25	Stanley	27
Forsythe	66	Stokes	5
Franklin	18	Surry	6
Gates	5	Swain	2
Gaston	25	Tyrrell	4
Granville	3	Transylvania	1
Greene	2	Union	7
Guilford	73	Vance	20
Halifax	24	Wake	80
Harnett	15	Warren	4
Henderson	3	Washington	3
Hertford	5	Watauga	7



FLOUR MILL AND 15,000 BUSHEL GRAIN ELEVATOR (RIGHT) ERECTED 1926. MEAL AND FLOUR FOR CONSUMPTION OF PRISONERS IS GROUND HERE UNDER THE NAME "PRIDE OF CALEDON A." SUFFICIENT WHEAT WAS RAISED AT BOTH FARMS IN 1926 TO SUPPLY FLOUR FOR ALL PRISON UNITS UNTIL NEXT HARVEST. ALSO SUFFICIENT CORN FOR CORNMEAL. THIS PLANT WAS ERECTED BY PRISON LABOR AND IS OPERATED BY HONOR PRISONERS.

Hoke	6	Wayne	15
Hyde	1	Wilkes	5
Haywood	3	Wilson	19
Iredell	5	Yadkin	18
Jones	2	Yancey	4
Johnston	17		
Jackson	2	Total	1,192

TABLE No. 11

Religious Denominations of prisoners June 30, 1926.

	White Males	White Females	Colored Males	Colored Females
Baptist.....	210	4	198	18
Episcopalian.....	6	0	37	4
Methodist.....	108	2	81	1
Lutherans.....	1	0	0	0
Catholic.....	15	0	30	0
Christian Scientist.....	1	0	6	0
Christian.....	3	0	2	6
Church of God.....	1	1	8	0
Greek Orthodox.....	1	0	0	0
Presbyterian.....	22	0	24	5
Quakers.....	1	0	0	0
Moravian.....	1	0	0	0
Do not belong to any church.....	239	7	425	18
	609	14	811	52
Attended Sunday school and church prior to conviction.....	401	10	508	14
Number who did not attend either.....	208	4	303	38
	609	14	811	52

TABLE No. 12

Criminal record of prisoners June 30, 1926.

	White Males	White Females	Colored Males	Colored Females
Number of prisoners convicted first time.....	502	13	665	35
Number of prisoners convicted second time.....	80	1	112	13
Number of prisoners convicted third time.....	20	-----	22	2
Number of prisoners convicted fourth time.....	4	-----	6	2
Number of prisoners convicted fifth time.....	3	-----	6	-----
	609	14	811	52

TABLE No. 13

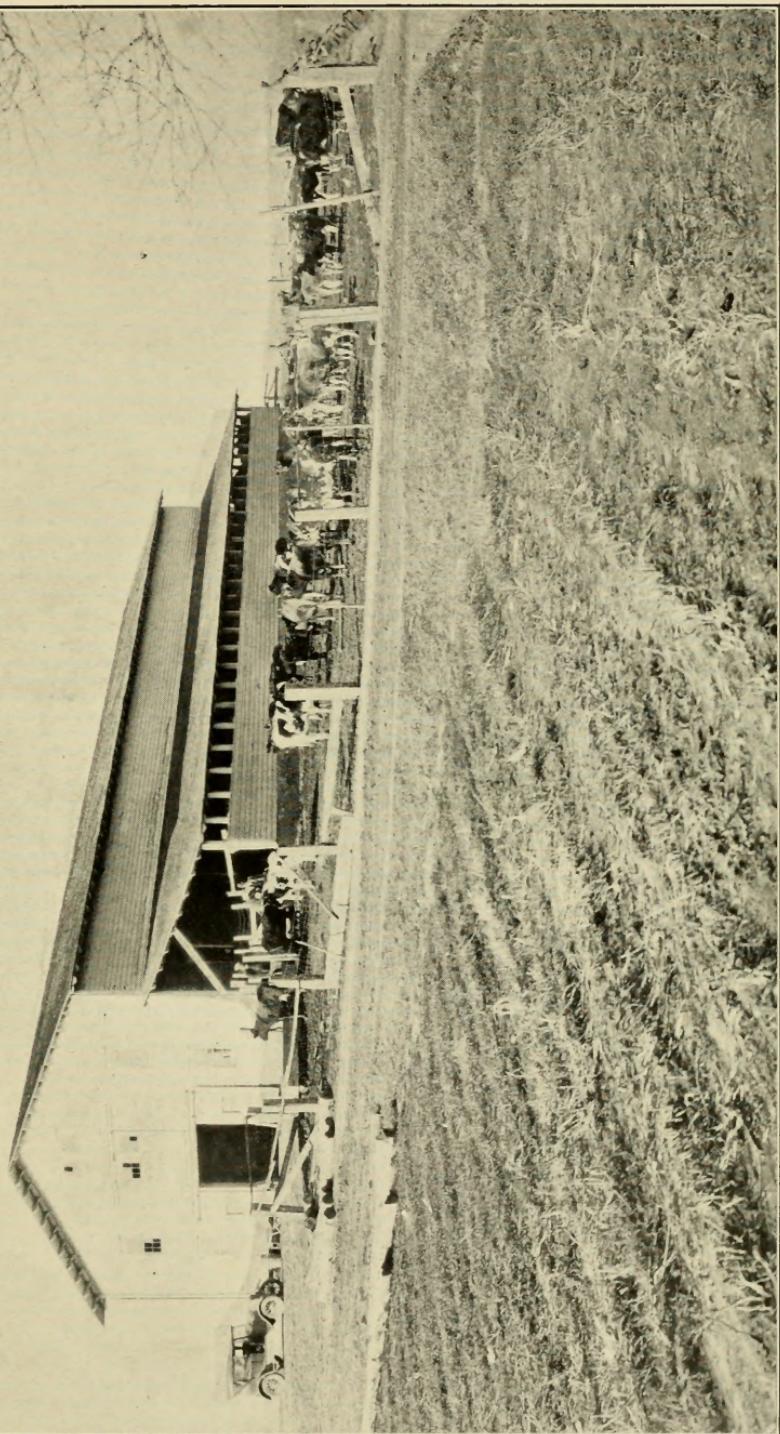
Educational record of prisoners June 30, 1926

	White Males	Colored Males	White Females	Colored Females
Prisoners who can read and write.....	381	435	10	35
Prisoners who cannot read and write.....	188	305	2	15
Prisoners who can read but not write.....	40	71	2	2
Totals.....	609	811	14	52
Prisoners never attended school.....	122	355	0	17
Prisoners finished 1st or 2nd grade.....	172	221	2	20
Prisoners finished 3rd or 4th grade.....	114	133	4	8
Prisoners finished 5th, 6th, or 7th grade.....	96	66	6	6
Prisoners finished 1st year high school.....	51	11	1	1
Prisoners finished 2nd year high school.....	22	7	1	0
Prisoners finished 3rd year high school.....	13	3	0	0
Prisoners finished 4th year high school.....	2	2	0	0
Prisoners finished 1st year college.....	8	8	0	0
Prisoners finished 2nd year college.....	5	3		
Prisoners finished 3rd year college.....	3	2	0	0
Prisoners finished 4th year college.....	1	0	0	0
Totals.....	609	811	14	52

TABLE No. 14

Number of prisoners confined on June 30, 1926 who used whiskey or drugs prior to conviction

	White Males	White Females	Colored Males	Colored Females
Number who used whiskey.....	440	6	551	23
Number who did not use whiskey.....	156	7	235	27
Number who used drugs.....	13	1	25	2
	609	14	811	52



DAIRY BARN AND HERD.

TABLE No. 15

Social relation of prisoners confined June 30, 1926

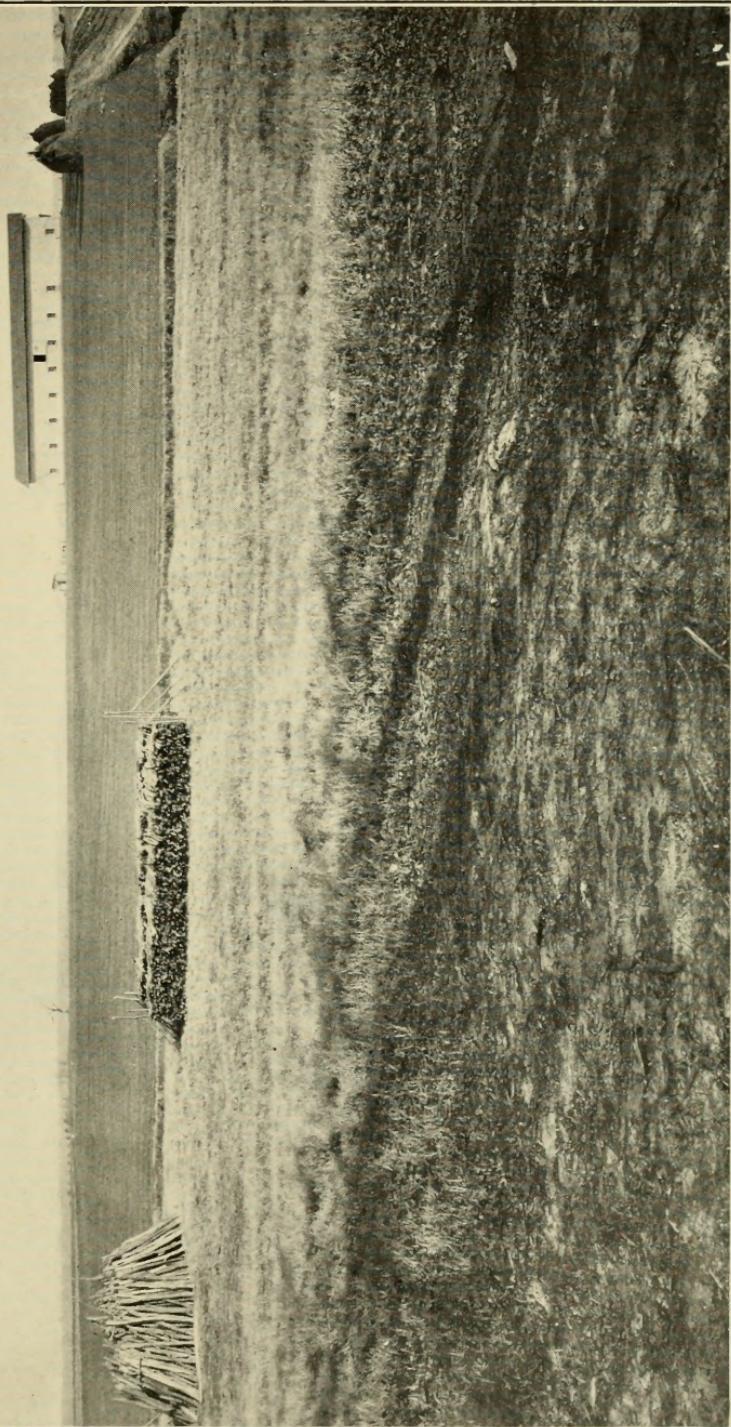
	White Males	White Females	Colored Males	Colored Females
Single	272	4	352	26
Married	246	3	341	15
Divorced	20	1	6	1
Widows		3		8
Widowers	35		43	
Left Orphans	36	3	69	2
Totals	609	14	811	52

TABLE No. 16

Prisoners Grades June 30, 1926.

	White Males	White Females	Colored Males	Colored Females
A Grade	205	11	165	37
B Grade	309	2	525	10
C Grade	95	1	121	5
	609	14	811	52

AUDITOR'S REPORT



VIEW CALEDONIA FARM, LOOKING TOWARD ROANOKE RIVER. DYKE MAY BE SEEN IN BACK GROUND.

AUDITOR'S REPORT OF THE STATE'S PRISON
FOR THE CALENDAR YEAR 1925

March 22, 1926.

HON. A. W. McLEAN, *Governor,*
Ex-Officio Director of the Budget.
Raleigh, North Carolina.

DEAR SIR:

We have examined the books and accounts of the State's Prison covering the calendar year 1925, and respectfully submit the following report:

AUTHORITY FOR EXAMINATION

Our audit and examination was made under the authority of your letter of February 15, 1926, of which the following is a copy:

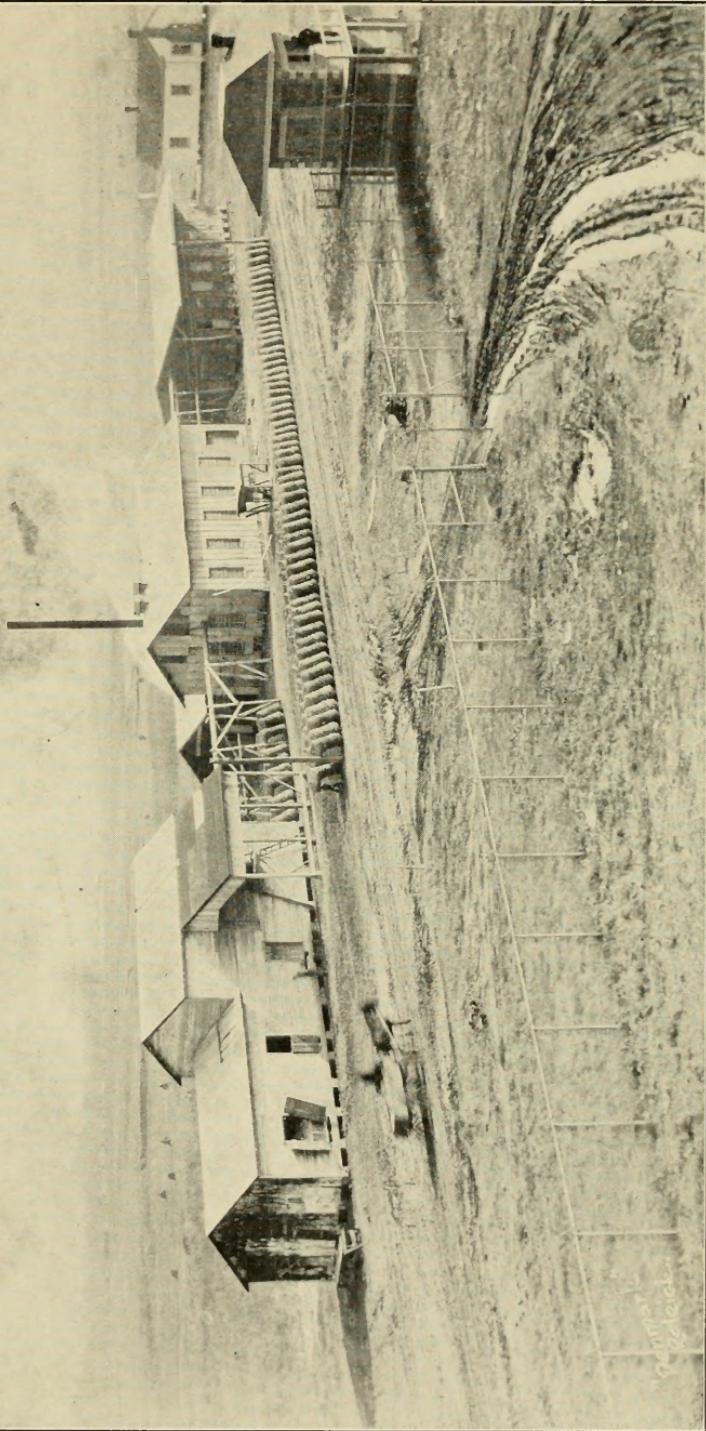
Messrs. SCOTT-CHARNLEY & Co.,
Certified Public Accountants,
Charlotte, North Carolina.

GENTLEMEN:

Confirming my verbal instructions to your Messrs. Scott and Smith:

In making the audit which I have requested you to make of the affairs of the State's Prison, I should like for you to observe the following suggestions:

Make a complete audit and financial statement showing the operations of the State's Prison for the period beginning January 1, 1925 and ending December 31, 1925, covering the whole of the calendar year 1925. In the report the amount expended for additions and betterments should be stated separately so that the actual results of operations will be shown after giving proper credit for the amounts paid out of prison receipts for additions and betterments. In distinguishing operating expenses from expenditures made for additions and betterments, the regular business rule approved by the Federal Government in computing income taxes should be followed. Any amount received from the sale of farm products produced during the year 1924 even though the sale is made after January 1, 1925, should not show as an operating receipt for the period beginning January 1, 1925. Advances made against the 1926 farming operations on the several farms should be shown as an advance against the farming operations of 1926.



THE GIN PLANT CALEDONIA, ERECTED AND OPERATED BY PRISONERS.

I am sure you will observe that the State's Prison is different from the other State Institutions, in that its operations are comparable to the operations of an industrial enterprise, because all of its revenue is derived from the industries in which it is engaged. On account of the fact that it is largely an industrial enterprise in which farming is its principal activity, it is practically impossible to show a correct statement of its operating accounts, except on the calendar year basis. This, of course, does not preclude the making of a statement on the fiscal year basis (as is done at the other institutions) for the purpose of fixing its relationship to the general fiscal affairs of the State as of June 30th of each year.

Sincerely yours,

A. W. MCLEAN,
Governor, and Ex-Officio Director of the Budget.

ACTIVITIES OF STATE'S PRISON

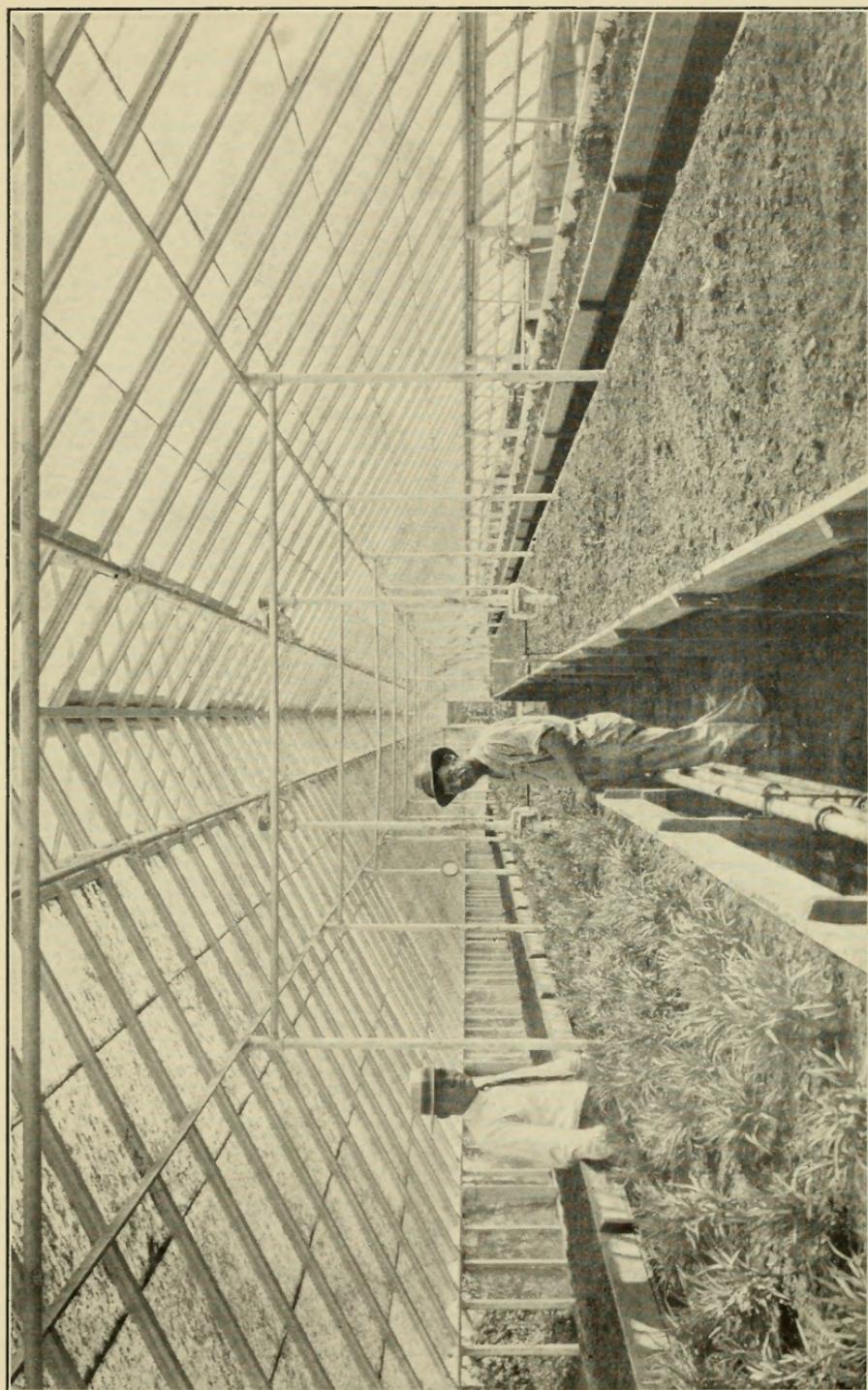
The activities of the State's Prison are divided into the following organized units:

1. Administration
2. Central Prison
 - (a) Chair Factory
 - (b) Culvert Plant
 - (c) Laundry
 - (d) Sewing Room
 - (e) Mattress Factory
3. Caledonia Farm
4. Cary Farm
- Convict Camps:
 5. Asheville, N. C.
 6. Simms, N. C.
 7. Bat Cave, N. C.
 8. Almond, N. C.
 9. Durham, N. C.
 10. Hiddenite, N. C.
 11. Marshall, N. C.
 12. Tarboro, N. C.

The nature of the operations of the State's Prison makes it entirely different from the other Institutions of the State, in that it is a revenue producing activity.

At the close of the calendar year 1925, the prison population, as shown by the records, was as follows:

<i>Revenue Producing</i>	<i>Number</i>	<i>Percentage</i>
Total White Prisoners.....	495	34.98
Total Colored Prisoners.....	575	40.63
<i>Non-revenue Producing</i>		
Total White Prisoners.....	101	.07.14
Total Colored Prisoners.....	244	17.25
Total Prison Population.....	1,415	100.00



PRISON GREEN HOUSE CENTRAL PRISON (MAY, 1926) FLOWERS AND PLANTS ARE RAISED HERE BY PRISONERS FOR SALE TO FLORISTS.

The Prison population is divided, as to color and sex as follows:

Total White Males.....	583
Total White Females.....	12
Total Colored Males.....	784
Total Colored Females.....	36
 Total Prison Population.....	 1,415

NET RESULTS FROM OPERATIONS FOR THE CALENDAR YEAR
ENDED DECEMBER 31, 1925

Caledonia Farm

Total Income for Calendar Year 1925.....	\$ 465,294.34
Total Expense for Calendar Year 1925.....	413,473.35
Net Profits from Caledonia Farm for Calendar Year 1925.....	\$ 51,820.99

Cary Farm

Total Income for Calendar Year 1925.....	\$ 144,836.00
Total Expense for Calendar Year 1925.....	134,164.89
Net Profits from Cary Farm for Calendar Year 1925.....	10,671.11

Convict Camp at Asheville

Total Income for Calendar Year 1925.....	\$ 43,202.98
Total Expenses for Calendar Year 1925.....	24,257.17

Net Profits Convict Camp Asheville for Calendar Year 1925.....	18,945.81
---	-----------

Convict Camp at Simms

Total Income for Calendar Year 1925.....	\$ 37,447.17
Total Expenses for Calendar Year 1925.....	19,562.99

Net Profits Convict Camp at Simms for Calendar Year 1925.....	17,884.18
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Convict Camp at Bat Cave

Total Income for Calendar Year 1925.....	\$ 20,159.79
Total Expenses for Calendar Year 1925.....	12,864.49

Net Profits Convict Camp at Bat Cave for Calendar Year 1925.....	7,295.30
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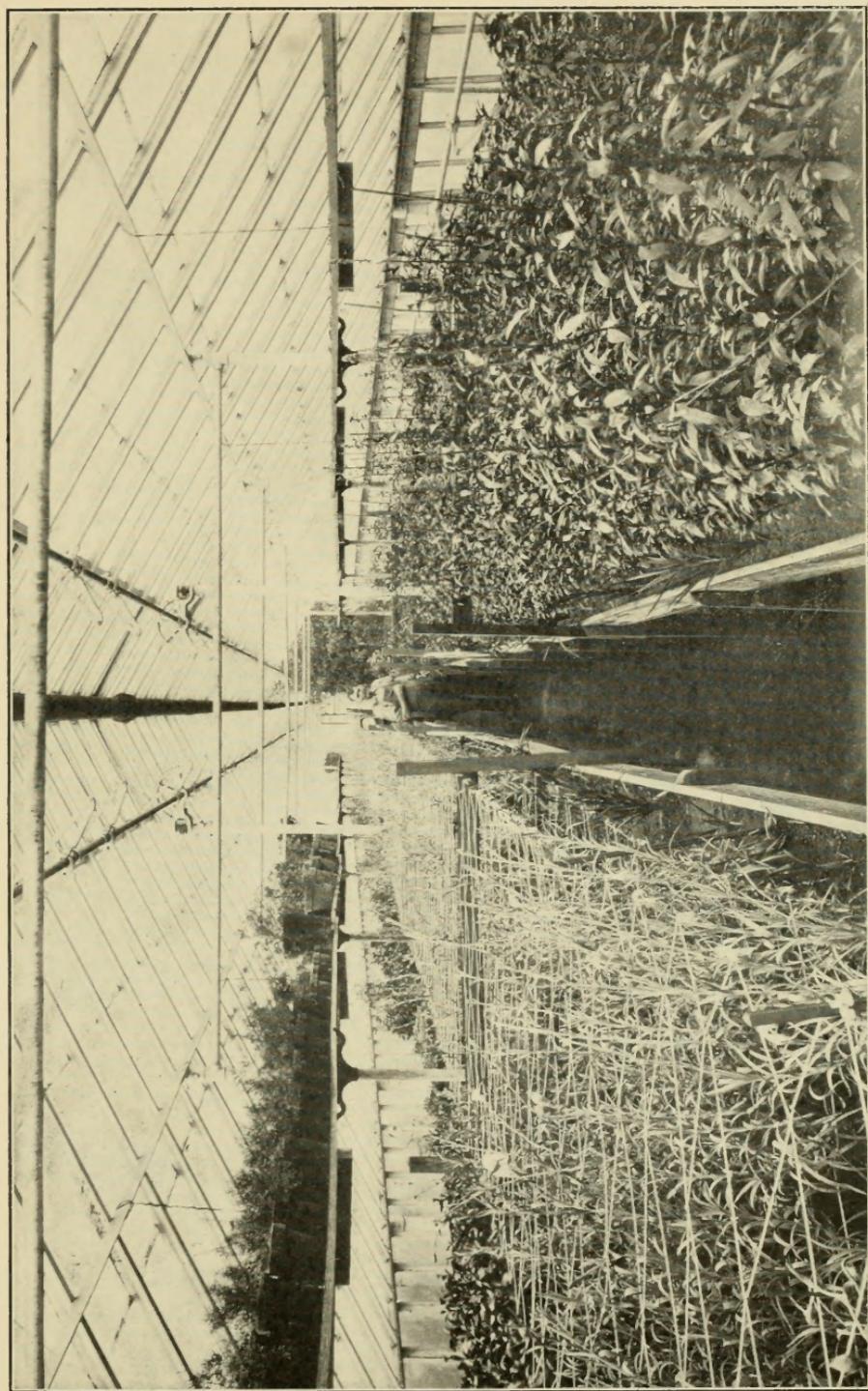
Convict Camp at Almond

Total Income for Calendar Year 1925.....	\$ 17,541.95
Total Expenses for Calendar Year 1925.....	11,576.11

Net Profits from Convict Camp at Almond for Calendar Year 1925.....	5,965.84
--	----------

Convict Camp at Durham

Total Income for Calendar Year 1925.....	\$ 27,731.05
Total Expenses for Calendar Year 1925.....	17,396.26

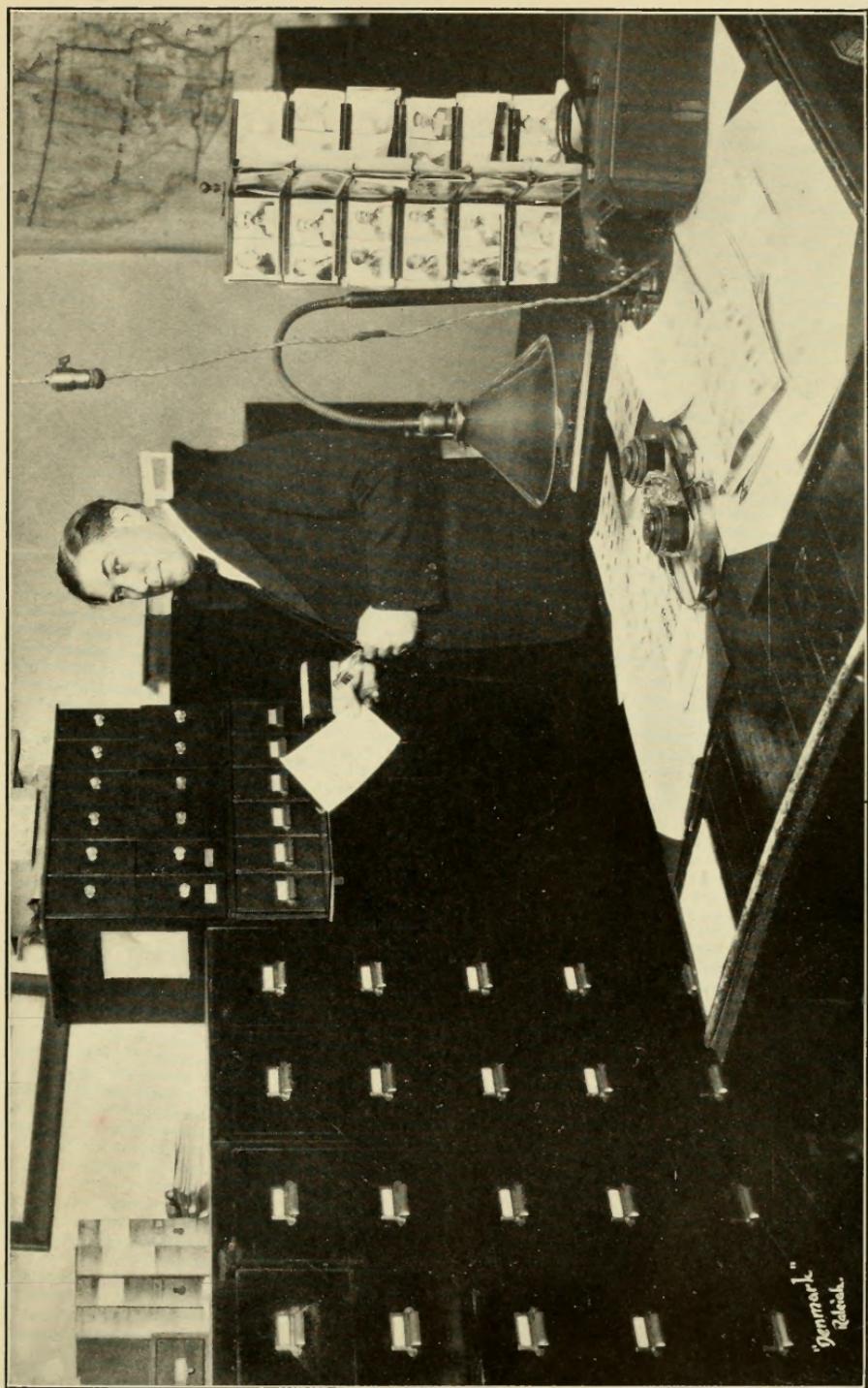


PRISON GREEN HOUSE AFTER BEING IN OPERATION SIX MONTHS. (JANUARY 1927).

Net Profits from Convict Camp at Durham for Calendar Year 1925.....	10,334.79
<i>Convict Camp at Hiddenite</i>	
Total Income for Calendar Year 1925.....	\$ 13,997.13
Total Expenses for Calendar Year 1925.....	11,070.76
 Net Profits from Convict Camp at Hiddenite for Calendar Year 1925.....	
	2,926.37
<i>Convict Camp at Marshall</i>	
Total Income for Calendar Year 1925.....	\$ 94,677.17
Total Expenses for Calendar Year 1925.....	43,458.97
 Net Profit for the Calendar Year 1925 for Marshall Camp	
	51,218.20
 Total Net Profit for the Calendar Year 1925 from Organized Units Showing Profits.....	
	\$177,062.59
UNITS SHOWING LOSSES	
<i>Administration</i>	
Total Expenses for Calendar Year 1925.....	\$ 29,742.31
Total Income for Calendar Year 1925.....	3,450.00
 Total Losses for Administration for the Calendar Year 1925.....	
	26,292.31
<i>Central Prison</i>	
Total Expenses for Calendar Year 1925.....	\$164,144.77
Total Income for Calendar Year 1926.....	56,156.87
 Net losses of Central Prison for the Calendar Year 1925.....	
	107,987.90
<i>Convict Camp at Tarboro</i>	
Total Expenses for Calendar Year 1925.....	\$ 1,726.78
Total Income for Calendar Year 1925.....	1,487.71
 Net Losses from Convict Camp at Tarboro for Calendar Year 1925.....	
	239.07
 Total Net Losses for the Calendar Year 1925 from Organized Units Showing Losses.....	
	\$134,519.28

SUMMARY

Total Net Profits for the Calendar Year 1925 from Organized Units Showing Profits.....	\$177,062.59
Total Net Losses for the Calendar Year 1925 from Organized Units Showing Losses.....	134,519.28
Total Net Operating Profits of State's Prison (as a whole) for the Calendar Year 1925 exclusive of Amount paid prisoners for themselves and families (Commutation)	\$ 42,543.31
Less Total Amount Paid Prisoners for themselves and families (Commutation) for the Calendar Year 1925.....	24,449.88
Total Net Profits of State's Prison (as a whole) for the Calendar Year 1925 after deducting amount paid Prisoners (Commutation)	\$ 18,093.43



STATE BUREAU OF IDENTIFICATION AT CENTRAL PRISON. H. H. HONEYCUTT, DIRECTOR. HERE ALL PRISONER'S ARE PHOTOGRAPHED, FINGER PRINTED AND MINUTE DESCRIPTION TAKEN. FINGER PRINTING OF STATE PRISONERS BEGAN IN 1923.

CALEDONIA FARM

The Caledonia Farm is located in Halifax County, North Carolina, is owned and operated by the State's Prison, and contains about 4,101 acres, all of which were under cultivation in the Calendar Year 1925, for the following crops:

<i>Production</i>		<i>Acres</i>
2,047 Bales	Cotton	2,165
767 Tons Cotton Seed	Corn	1,098
48,000 Bushels	Peanuts	212
10,348 Bushels	Hay	409
550 Tons	Sweet Potatoes	43
6,000 Bushels	Beans and Peas.....	54
1,600 Bushels	Alfalfa	14
22 Tons	Vegetables	106
		—
	Total Acres	4,101

In addition to the above named crops, there were raised on the farm the following:

40 Head of Cattle, Producing.....	16,620 lbs. Beef
349 Head of Hogs, Producing.....	9,100 lbs. Pork and Hams

For the production of these crops and the cultivation of this farm, there was required during the year, the following:

174 Horses and Mules.

450 Prisoners.

The above number of prisoners was the estimated average required in farm work. In addition to these, there were other prisoners maintained there for safe keeping, because they were not required in other work.

On account of the crowded condition of the Central Prison it has been necessary to maintain the overflow of idle prisoners at the two State Farms, which accounts for there being more prisoners at the Farms than are required for farm work.

We have prepared a statement of the Income and Expenses of Caledonia Farm Covering the Calendar Year 1925, which shows the following:

Income:

Sale of Farm Produce.....	\$ 63,860.45
Receipts for Convict Labor.....	808.58
Convict Labor for Permanent Improvements.....	7,937.37

Maintaining Excess Prisoners	8,793.15
Miscellaneous Income.....	574.50
Inventories at Close of Year.....	383,320.29
 Total Income	 \$465,294.34

Expenses:

Operating Expenses	\$219,695.71
Inventories Beginning of year.....	193,777.64 \$413,473.35

Operating Profit for the Calendar Year 1925 for Caledonia Farm	\$ 51,820.99
---	--------------

It will be noted that the amount of the inventories at the beginning of the Calendar Year is an expense for the year; and the amount of the inventories at the close of the Calendar Year is an income for the year.

These inventories are shown in classified detail Schedule 28, and consist of the Farm Products, Equipment and Supplies. These inventories are valued as follows:

Farm Products—At Current Market Value.

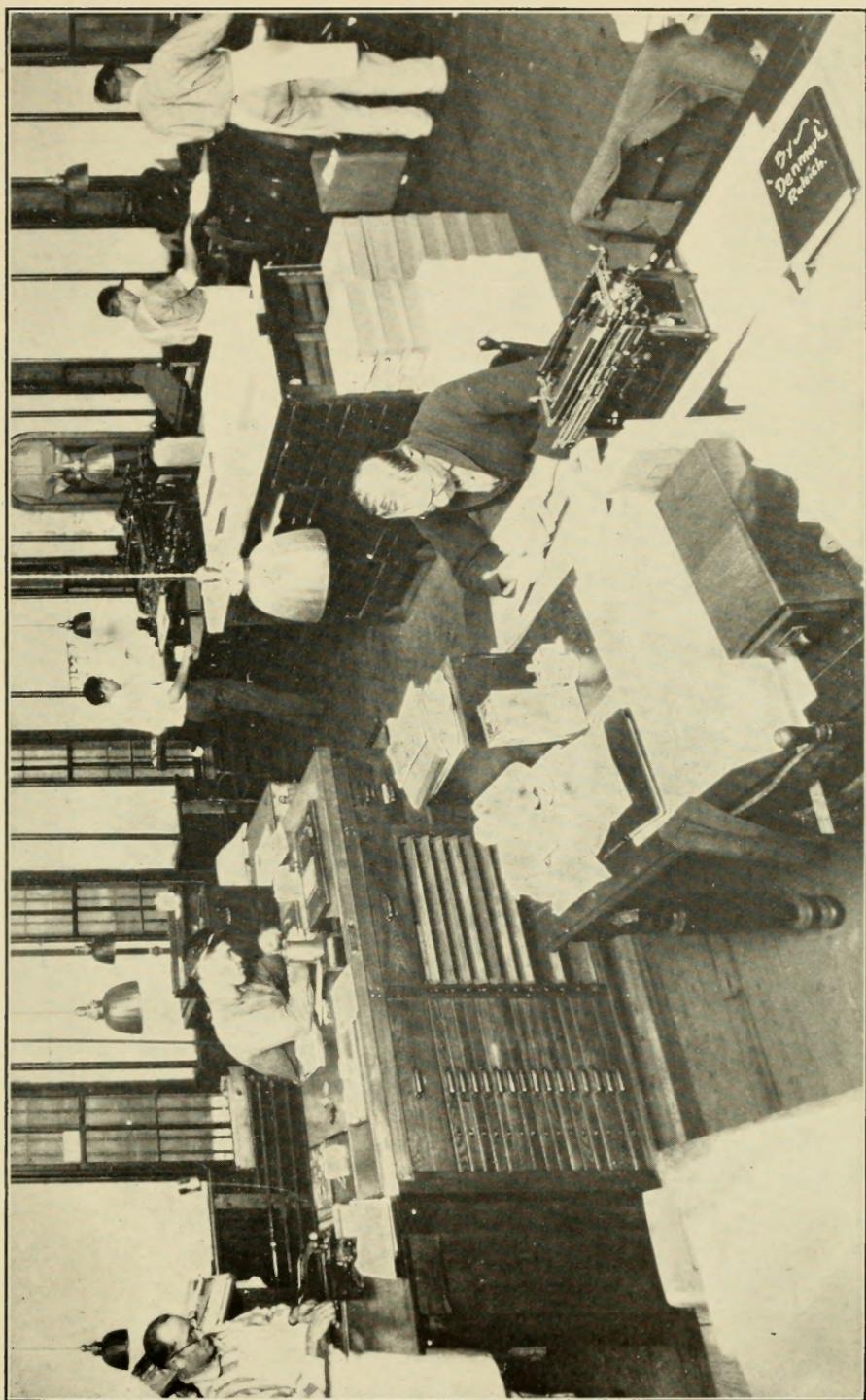
Equipment and Supplies—At Actual Value.

As the inventories of the Equipment and Supplies were taken at actual value, it obviated the necessity of setting up an annual percentage of depreciation. The amount charged off as depreciation by this method however, amounted to \$19,705.27.

CARY FARM

The Cary Farm is located in Wake County, North Carolina; is owned and operated by the State's Prison and contains approximately 2,680 acres, of which 1,075 acres were cultivated in the Calendar Year 1925, for the following crops:

<i>Production</i>		<i>Acres</i>
500 Bales	Cotton	400
187 tons Cotton Seed	Corn	350
5,250 Bushels	Hay	95
230 Tons	Sweet Potatoes	25
1,900 Bushels	Beans and Peas.....	65
600 Bushels	Alfalfa	15
400 Bushels	Wheat	75
	Vegetables	50
	 Total Acres	 1,075



THE STATE PRISON PRINTERY. PRINTING FOR STATE USE ONLY. OPERATED BY PRISONERS. PRISONERS ARE HERE TAUGHT A USEFUL AND HONORABLE TRADE FITTING THEM TO BECOME USEFUL CITIZENS WHEN RELEASED.

In addition to the above named crops, there were raised the following:
 18 Head of Cattle—Producing..... 9,900 lbs. Beef
 125 Head of Hogs—Producing..... 11,220 lbs. Pork and Hams

For the cultivation of this farm, there were required 73 Horses and Mules and 100 prisoners. This number of prisoners did not include the idle prisoners which were kept at this farm.

We have prepared a statement of the Expenses and Income of the Cary Farm, covering the Calendar Year 1925, which shows the following:

Income:

Sale of Farm Product.....	\$ 10,567.94
Receipts for Convict Labor.....	1,249.68
Convict Labor for Permanent Improvements.....	11,381.51
Cost of Maintaining Excess Prisoners.....	20,520.90
Inventories at close of year.....	<u>101,115.97</u>
 Total Income	 \$144,836.00

Expenses:

Operating Expenses	\$ 71,783.19
Inventories at Beginning of Year.....	62,381.70
.....	134,164.89

Operating Profit for the Calendar Year 1925 for Cary

Farm	\$ 10,671.11
------------	--------------

It will be noted that the amount of the inventories at the beginning of the Calendar Year was an expense for the year, and the amount of the inventories at the close of the Calendar Year was an income for the year.

These inventories were taken on the same basis of valuation as were the inventories at Caledonia Farm, which was as follows:

Farm Products—At Current Market Value.

Equipment and Supplies—At Actual Value.

By taking the inventories at actual value precluded the necessity of separately providing for a fixed percentage of depreciation on original cost. The depreciation charged off by this method, however, amounted to \$11,519.57.

CENTRAL PRISON

We have prepared a statement of the Expenses and Income of the Central Prison for the Calendar Year 1925, which shows the following:

Expenses:

Total Expenses	\$129,273.04
Inventories Beginning of Year.....	34,871.73
Total Expenses	\$164,144.77

Income:

Operating Income	\$25,096.31
Inventories at Close of Year.....	31,060.56
	56,156.87

Expenses in Excess of Income for the Central Prison for Calendar Year 1925.....	\$107,987.90
--	--------------

The income of the Central Prison arises from convict labor used in the Chair Factory, Culvert Plant, Laundry, Sewing Room and Mattress Factory; also the labor used in making permanent improvements.

The policy of the Superintendent of the State's Prison is to keep the population of the Central Prison as small as possible by assigning the convicts to outside activities. There is, however, an insufficient demand to take care of all of the available convict labor and the surplus is maintained at the Farms largely on account of reduced cost of maintenance and the lack of room at the Central Prison.

INVENTORIES AND DEPRECIATION

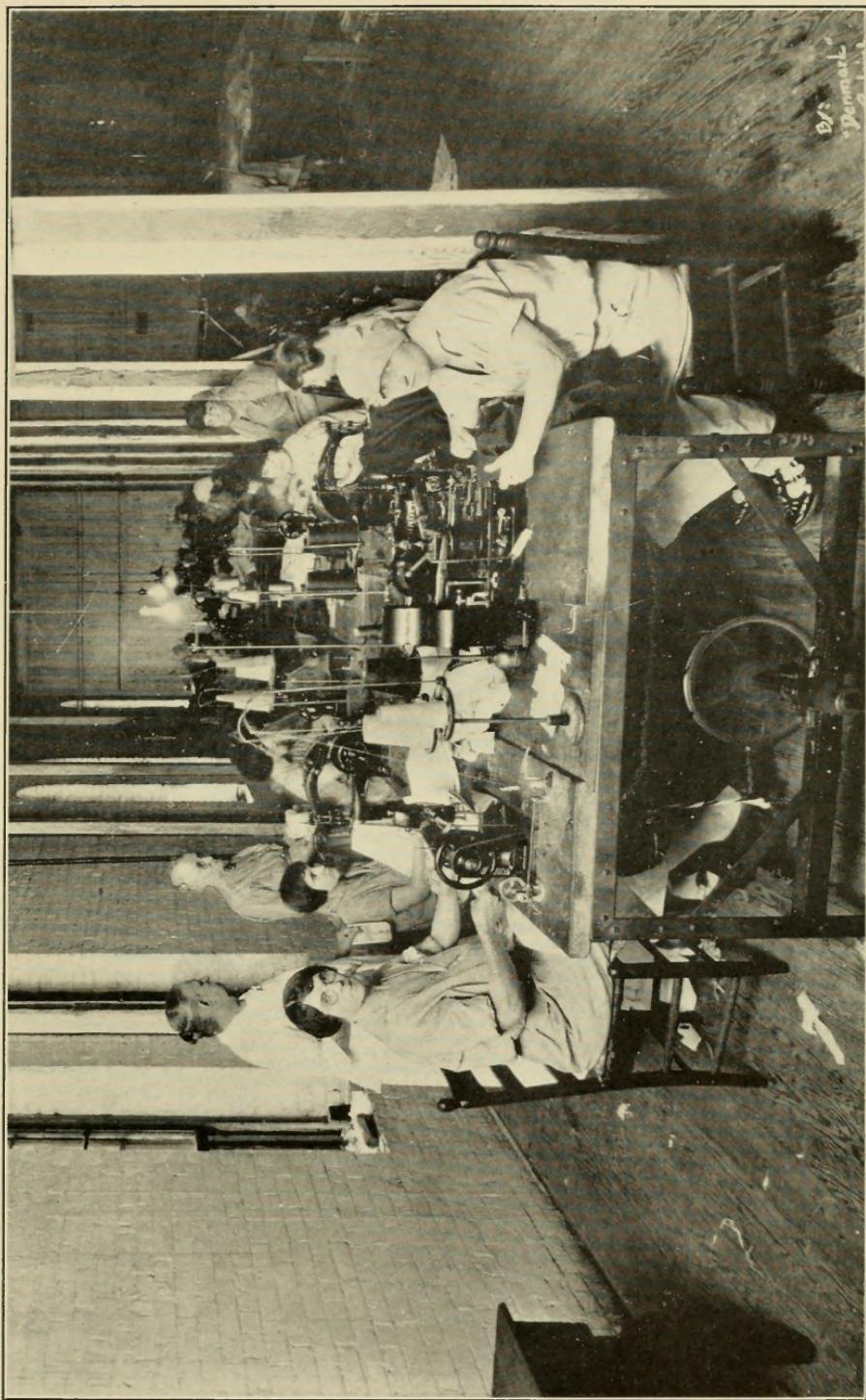
We examined all of the detailed statements of the inventories taken at both the beginning and closing of the Calendar Year 1925, and tested their clerical accuracy.

The inventories were valued upon the following basis:

1. Farm products at Current Market Prices.
2. Supplies and Materials (Exclusive of Foods) at cost.
3. Equipment and Live Stock at Appraised Value after allowing for wear and tear.

It has been the custom in the past to appraise the value of all equipment, including farm machinery, live stock, prisoners' supplies, etc., at actual value after allowance for rate of percentage for depreciation based upon cost. For the Calendar Year 1925, the total depreciation charged off by using this method of taking inventories, amounted to \$58,901.73.

The farm products were valued at the time the inventories were taken at the prevailing current market prices, or lower. The following is a



TAILOR SHOP, CENTRAL PRISON. PRISONERS CLOTHING IS MADE HERE FOR ALL STATE PRISONERS. IN ADDITION CONVICT CLOTHING IS MADE FOR SALE TO COUNTIES.

95
"Pennell"

partial list of the principal items of the farm products showing the units inventory value used, both at the beginning and close of the Calendar Year 1925.

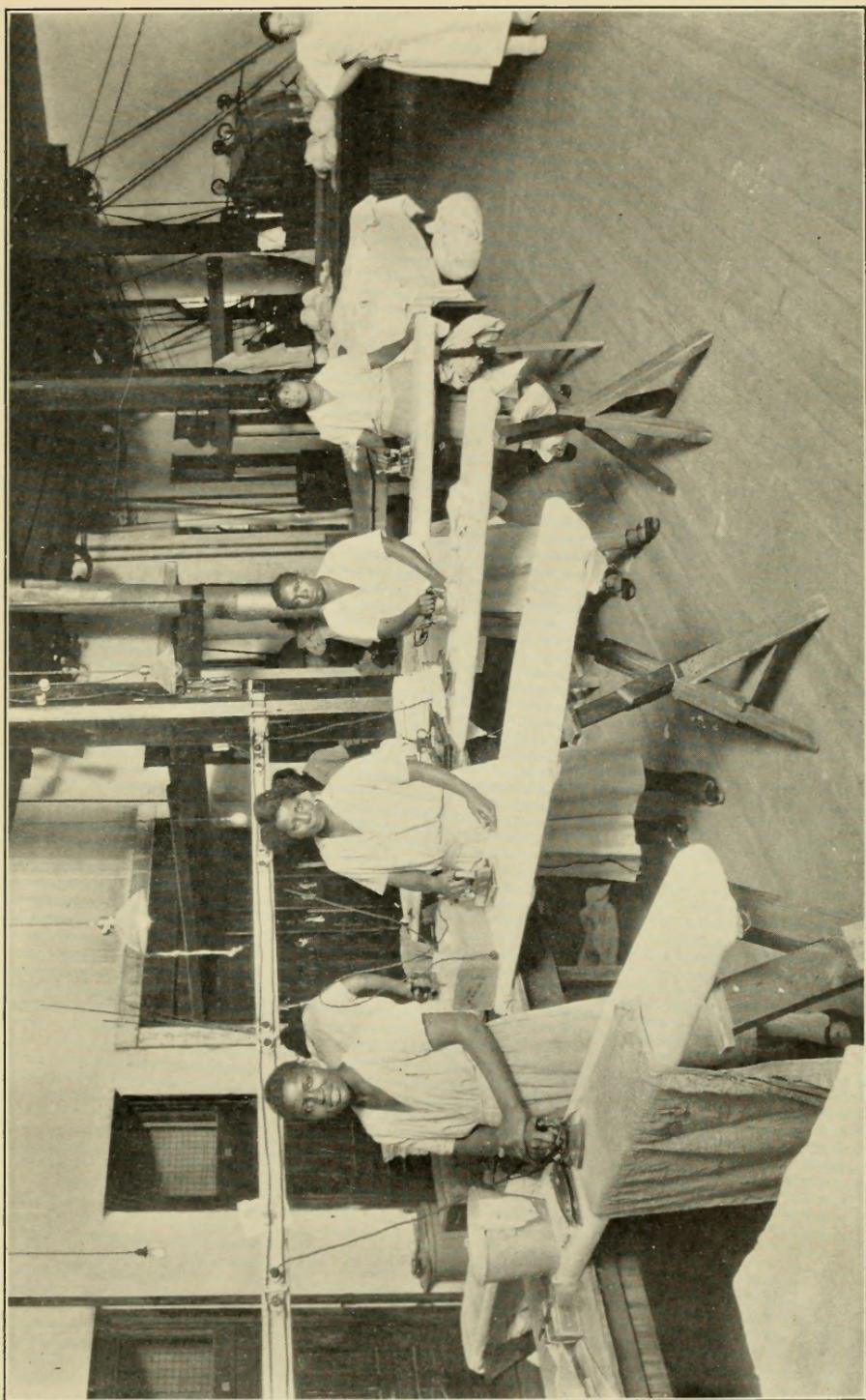
	<i>1924</i>	<i>1925</i>
	<i>Unit Inventory</i>	<i>Unit Inventory</i>
	<i>Jan. 1, 1925</i>	<i>Dec. 31, 1925</i>
Cotton, Per Pound.....	\$.20	\$.18
Corn, Per Bushel.....	1.25	1.05
Hay and Fodder, Per Ton.....	25.00	23.74
Peanuts, Per Bushel.....	None	1.20
Sweet Potatoes, Per Bushel.....	1.00	1.00

Subsequent to December 31, 1925, at which time the inventories were taken, the cotton had been sold, or a greater part, at a price in excess of the inventory value.

ASSETS AND LIABILITIES

We have prepared a comparative Balance Sheet of the Assets and Liabilities of the State's Prison at the close of business, December 31, 1924 and December 31, 1925, which shows the following:

	<i>Dec. 31, 1925</i>	
	<i>Dec. 31, 1924</i>	
<i>Assets:</i>		
Inventories	\$ 535,155.87	\$ 304,228.20
Accounts Receivable	43,321.80	25,974.45
Land, Buildings and Equipment.....	2,179,894.73	2,114,431.03
 Total Assets	 \$2,758,372.40	 \$2,444,633.68
 Less Liabilities	 10,019.85	 326,976.42
 Assets in Excess of Liabilities.....	 \$2,748,352.55	 \$2,117,657.26



SECTION OF LAUNDRY, CENTRAL PRISON. IN ADDITION TO PRISON LAUNDRY THE LAUNDRY FOR THE CONFEDERATE VETERANS HOME IS DONE HERE AT CONSIDERABLE SAVING TO THAT INSTITUTION.

SUMMARY OF AUDIT FOR THE FISCAL YEAR, ENDING JUNE 30, 1926

Summary of Audit By Goodno, Steel & Goddard for fiscal year ending June 30, 1925. Submitted on August 15, 1925.

The accounts for the year show an operating surplns amounting to \$38,475.80: this, of course, does not include amounts expended for Betterments or expense incurred in preparation for the 1925 Farm Crops. The details are as follows:

REVENUE PRODUCING PRISONERS

Income

Sale of Farm Produce.....	\$201,358.53
*Convict labor, Highways and	
Quarries	253,321.21
†Convict labor, Betterments.....	14,562.43
	—————
	\$469,242.17

Expenditures

Farm Material, Repairs, Sustenance of Prisoners there, plus guarding and supervision.....	\$111,289.04
Convict camps, Sustenance, guarding and supervision	131,999.75
Transportation to and from Camps....	8,141.73
	—————
	\$251,430.52
Surplus, Revenue Producers.....	\$217,811.65

NON REVENUE PRODUCING PRISONERS

Income

*Chair Factory Labor.....	\$ 8,940.02
Miscellaneous	144.67
†Convict labor, Betterments.....	1,903.20
	—————
	\$ 10,927.89

Expenditures

Administration overhead	\$ 15,570.57
Interest	5,285.22
Central Prison, Maintenance.....	134,749.89
Dangerons Insane, Maintenance.....	6,535.66
Rewards and Recaptures.....	3,802.60
Per Diem paid prisoners.....	24,283.05
Miscellaneous	76.75
	—————
	\$190,313.74
Deficiency Non Revenue Producers....	\$179,335.85
Net Surplus	38,475.80

† Includes labor of convicts.

* Includes revenue earned but not yet collected.

REPORT OF AUDIT FOR FISCAL YEAR, ENDING JUNE 30, 1926

604 Johnston Building,
Charlotte, North Carolina,
December 13, 1926.

*Honorable A. W. McLEAN, Governor,
Ex-Officio Director of the Budget,
Raleigh, North Carolina.*

DEAR SIR:—We have examined the books and accounts of the State's Prison, covering the Fiscal Year ended June 30, 1926, and respectfully submit the following report:

1. AUTHORITY FOR EXAMINATION

Our Audit and Examination for the Fiscal Year Ended June 30, 1926, was made at your request, to conform to the instructions given for the Audit of the Calendar Year ended December 31, 1925, a copy of which is as follows:

"February 15, 1926.

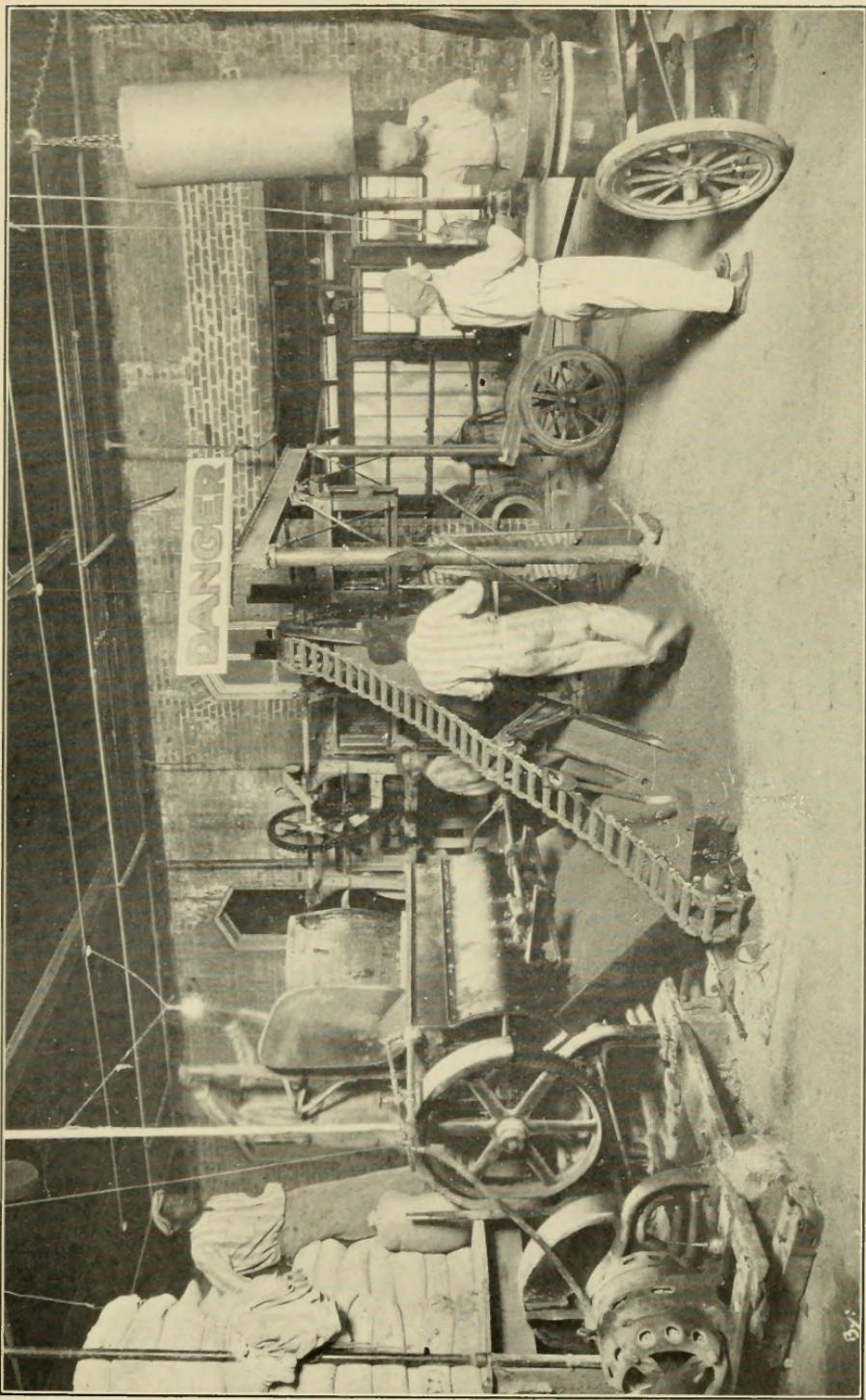
MESSRS. SCOTT, CHARNLEY D., & CO.,
Certified Public Accountants,
Charlotte, North Carolina.

GENTLEMEN:—Confirming my verbal instructions to your Messrs. Scott and Smith:

In making the audit which I have requested you to make of the affairs of the State's Prison, I should like for you to observe the following suggestions:

Make a complete audit and financial statement showing the operations of the State's Prison for the period beginning January 1, 1925 and ending December 31, 1925, covering the whole of the Calendar year 1925. In the report the amount expended for additions and betterments should be stated separately so that the actual results of operations will be shown after giving proper credit for the amounts paid out of prison receipts for additions and betterments. In distinguishing operating expenses from expenditures made for additions and betterments, the regular business rule approved by the Federal Government in computing income taxes should be followed. Any amount received from the sale of farm products produced during the year of 1924 even though the sale is made after January 1, 1925, should not show as an operating receipt for the period beginning January 1, 1925. Advances made against the 1926 farming operations on the several farms should be shown as an advance against the farming operations of 1926.

I am sure you will observe that the State's Prison is different from the other State Institutions, in that its operations are comparable to the opera-



CULVERT PLANT. CENTRAL PRISON. REINFORCED CONCRETE CULVERT IS MANUFACTURED HERE FOR USE OF THE STATE HIGHWAY COMMISSION. A CONSIDERABLE SAVING TO THE HIGHWAY COMMISSION IS THEREBY EFFECTED. ANY SURPLUS IS OFFERED FOR SALE TO COUNTIES OR TOWNS.

tions of an industrial enterprise, because all of its revenue is derived from the industries in which it is engaged. On account of the fact that it is largely an industrial enterprise in which farming is its principal activity, it is practically impossible to show a correct statement of its operating account, except on the Calendar year basis. This, of course, does not preclude the making of a statement on the Fiscal year basis (as is done at the other institutions) for the purpose of fixing its relationship to the general fiscal affairs of the State as of June 30, of each year.

Sincerely yours,

A. W. MCLEAN,
Governor, and Ex-Officio Director of the Budget."

2. ACTIVITIES OF STATE'S PRISON

The activities of the State's Prison are divided into the following organized units:

1. Administration
2. Central Prison
 - (A) Culvert Plant
 - (B) Chair Factory
 - (C) Laundry
 - (D) Sewing Room
 - (E) Mattress Factory
 - (F) Storage Room
3. Caledonia Farm
4. Cary Farm

CONVICT CAMPS

5. Asheville, N. C.
6. Tarboro, N. C.
7. Simms, N. C.
8. Bat Cave, N. C.
9. Almond, N. C.
10. Durham, N. C.
11. Hiddenite, N. C.
12. Marshall, N. C.
13. Morehead, N. C.
14. Dublin, N. C.
15. Chimney Rock, N. C.

There is a considerable amount of revenue produced from several of the organized units of the State's Prison which makes it entirely different from any of the other State Institutions.

At the close of the Fiscal Year ended June 30, 1926, the prison population, as shown by the records, was as follows:

Total population July 1, 1925	1,340
Admitted during year	568
Recaptured	35
<hr/>	
	1,943

Deduct

Prisoners discharged	337
Paroled and Pardon	68
Died	7
Escaped	45
<hr/>	
	457

Net population June 30, 1926 1,486

The net increase in population for the Year was 146.

3. NET RESULTS FROM OPERATIONS FOR THE FISCAL YEAR ENDED JUNE 30, 1926.

UNITS SHOWING PROFITS

Caledonia Farm

Total Income for Fiscal Year	\$ 484,595.50
Total Expenses for Fiscal Year	472,635.76
Net Profit from Caledonia Farm for Fiscal Year	\$ 11,959.74

Baker's Camp—Asheville, N. C.

Total Income for Fiscal Year	\$ 64,082.20
Total Expenses for Fiscal Year	\$ 30,384.60
Net Profit from Baker's Camp—Asheville, N. C., for Fiscal Year	33,697.60

Barham's Camp—Tarboro, N. C.

Total Income for Fiscal Year	\$ 8,268.55
Total Expenses for Fiscal Year	3,940.07

Net Profit from Barham's Camp—Tarboro, N. C., for Fiscal Year	4,328.48
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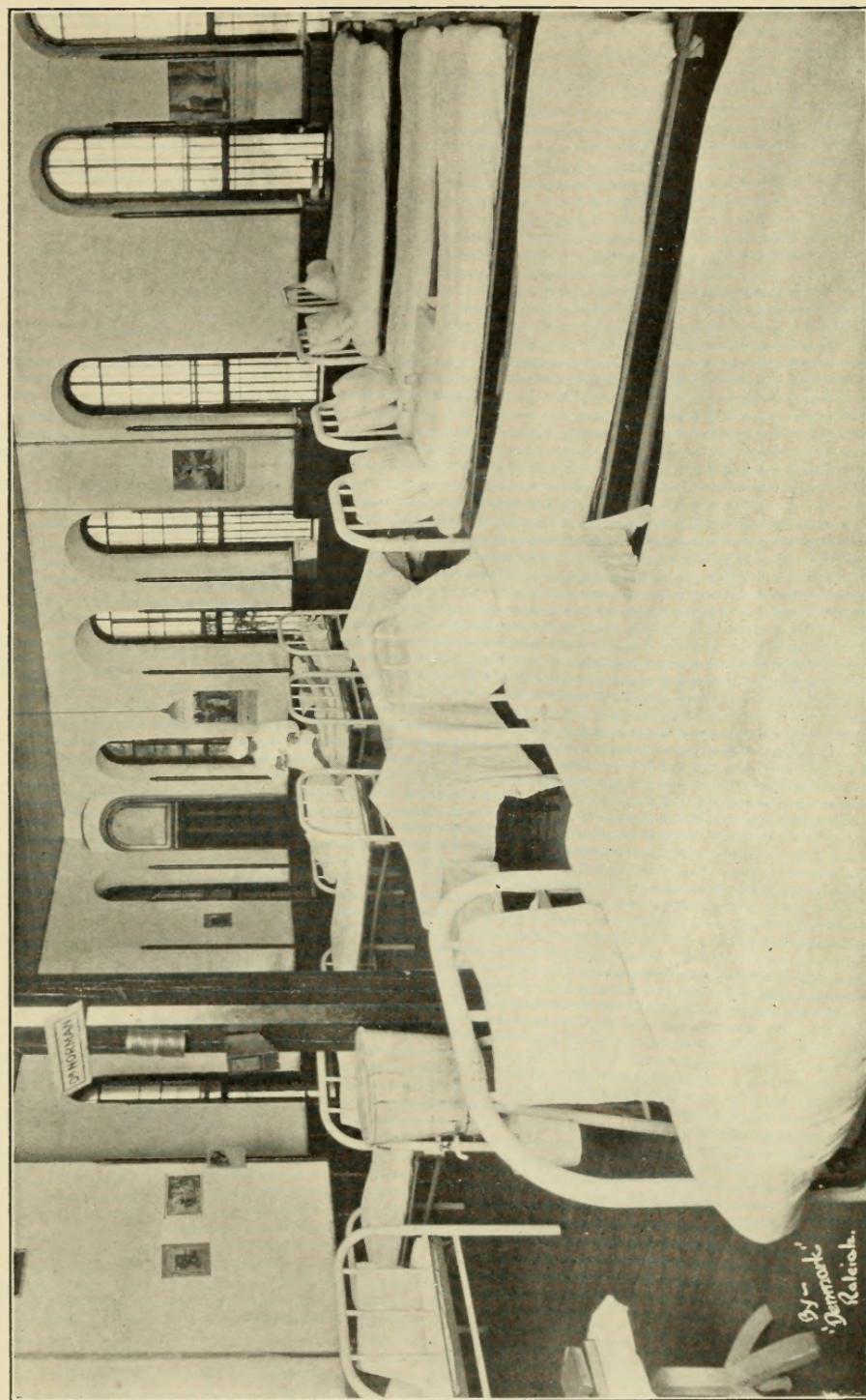
Berry's Camp—Simms, N. C.

Total Income for Fiscal Year	\$ 43,563.40
Total Expenses for Fiscal Year	20,289.75

Net Profit from Berry's Camp—Simms, N. C., for Fiscal Year	23,273.65
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Holloway's Camp—Bat Cave, N. C.

Total Income for Fiscal Year	\$ 11,547.25
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ONE OF THE HOSPITAL WARDS, CENTRAL PRISON. AN OPERATING ROOM MODERNLY EQUIPPED IS ALSO MAINTAINED.

Total Expenses for Fiscal Year	9,530.47
Net Profit from Holloway's Camp—Bat Cave, N. C., for Fiscal Year	2,016.78
<i>Champion's Camp—Almond, N. C.</i>	
Total Income for Fiscal Year	\$ 24,437.31
Total Expenses for Fiscal Year	17,831.79
Net Profit from Champion's Camp—Almond, N. C. for Fiscal Year	6,605.52
<i>Ewing's Camp—Durham, N. C.</i>	
Total Income for Fiscal Year	\$ 27,675.57
Total Expenses for Fiscal Year	16,597.37
Net Profits from Ewing's Camp—Durham, N. C. for Fiscal Year	11,078.20
<i>Hight's Camp—Hiddenite, N. C.</i>	
Total Income for Fiscal Year	\$ 21,656.87
Total Expenses for Fiscal Year	17,429.67
Net Profits from Hight's Camp—Hiddenite, N. C. for Fiscal Year	4,227.20
<i>Rane's Camp—Marshall, N. C.</i>	
Total Income for Fiscal Year	\$ 87,974.52
Total Expenses for Fiscal Year	40,657.02
Net Profits from Rane's Camp—Marshall, N. C. for Fiscal Year	47,317.50
<i>Cole's Camp—Waynesville, N. C.</i>	
Total Income for Fiscal Year	\$ 2,986.00
Total Expenses for Fiscal Year	1,602.94
Net Profits from Cole's Camp—Waynesville, for Fiscal Year	1,383.06
<i>Rollin's Camp—Durham, N. C.</i>	
Total Income for Fiscal Year	\$ 3,081.73
Total Expenses for Fiscal Year	1,698.26
Net Profit from Rollin's Camp—Durham, for Fiscal Year	1,383.47

Bailey's Camp—Morehead, N. C.

Total Income for Fiscal Year	\$ 2,949.75
Total Expenses for Fiscal Year	1,892.58

Net Profit from Bailey's Camp—Morehead, for Fiscal Year	
--	--

1,057.17

Gulley's Camp—Dublin, N. C.

Total Income for Fiscal Year	\$ 2,202.61
Total Expenses for Fiscal Year	563.71

Net Profit from Gulley's Camp—Dublin, N. C. for Fiscal Year	
--	--

1,638.90

Holloway's Camp—Chimney Rock, N. C.

Total Income for Fiscal Year	\$ 4,769.40
Total Expenses for Fiscal Year	4,157.02

Net Profit from Holloway's Camp— Chimney Rock, N. C. for Fiscal Year	
---	--

612.38

Holloway's Camp—Dublin, N. C.

Total Income for Fiscal Year	\$ 1,968.85
Total Expense for Fiscal Year	1,666.67

Net Profit from Holloway's Camp—Dublin, N. C., for Fiscal Year	
---	--

302.18

Total net profits for the fiscal year from organized units showing profits	
---	--

\$150,881.83

UNITS SHOWING LOSSES

Administration

Total Expenses for Fiscal Year	\$ 33,478.30
Total Income for Fiscal Year	3,802.50

Net Loss from Administration for Fiscal Year	
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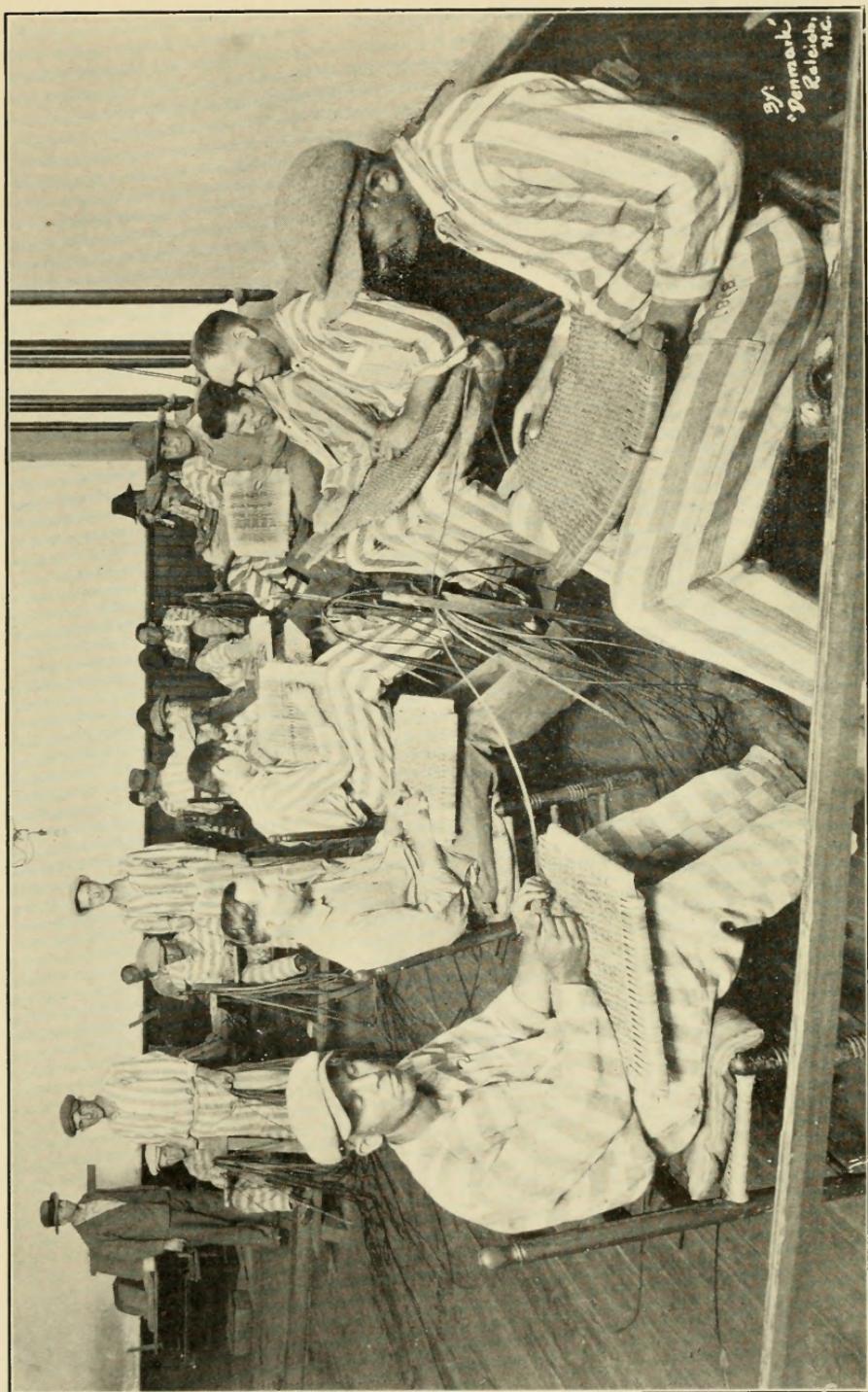
\$ 29,675.80

Central Prison

Total Expenses for Fiscal Year	\$112,305.57
Total Income for Fiscal Year	80,962.88

Net Loss from Central Prison for Fiscal Year	
--	--

31,342.69



CHAIR WEAVING DEPARTMENT. CENTRAL PRISON.

Cary Farm

Total Expenses for Fiscal Year	\$157,968.40	
Total Income for Fiscal Year	133,826.87	_____
Net Loss from Cary Farm for Fiscal Year.....		24,141.53
Total net losses for the Fiscal Year from organized		
units showing losses		85,160.02

SUMMARY

Total net profits for the Fiscal Year from organized units		
showing profits		\$150,881.83
Total net losses for the Fiscal Year from organized units		
showing losses		85,160.02
Total net operating profit of the State's Prison (as a whole)		
for the Fiscal Year ended June 30, 1926 exclusive of the		
amount paid prisoners for themselves and families		
(Commutation)		65,721.81
LESS: Total amount paid prisoners for themselves and		
families (Commutation) for the Fiscal Year		19,847.11
Total net profits of State's Prison (as a whole) for the Fiscal		
Year ended June 30, 1926, after deducting amount paid		
prisoners (Commutation)		\$45,874.70

Inventorics

The inventorries were taken by the management and furnished to us in completed form. We tested the mathematical accuracy thereof and ascertained that the prices used were on the following basis:

1. Farm Products at current market prices.
2. Supplies and materials at cost.
3. Equipment and livestock at Appraised value after allowing for wear and tear.

A summary of the inventories, both at the beginning and end of the Fiscal Year, is as follows:

	<i>Inventory</i>	<i>Inventory</i>
	<i>July 1, 1925</i>	<i>June 30, 1926</i>
Administration	\$ 4,152.25	\$ 3,802.50
Central Prison	38,671.76	40,074.05
Caledonia Farm	115,763.41	218,907.52
Cary Farm	53,496.25	53,833.93

Convict Camps

Baker's—Asheville	2,550.85	5,238.17
Barham's—Tarboro		730.65
Berry's—Simms	1,992.65	2,391.65
Holloway's—Bat Cave	1,292.95	

Champion's—Almond	2,113.56
Ewing's—Durham	1,598.75
Hight's—Hiddenite	2,018.31
Rane's—Marshall	5,881.65
Cole's—Waynesville	449.70
Rollin's—Durham	573.75
Bailey's—Morehead	
Gulley's—Dublin	795.61
Holloway's—Chimney Rock	1,508.15
 Totals	 \$226,180.77
	\$339,917.95

10. ASSETS AND LIABILITIES

Attached hereto, is a statement of the Assets and Liabilities of the State's Prison as at the close of the Fiscal Year, June 30, 1926, a summary of which is as follows:

Assets:

Inventories	\$ 339,917.95
Land, Buildings and Equipment	2,312,923.01
Accounts Receivable	66,099.47
Cost of planting crops not harvested	152,780.69
 Total assets	 \$2,871,721.12

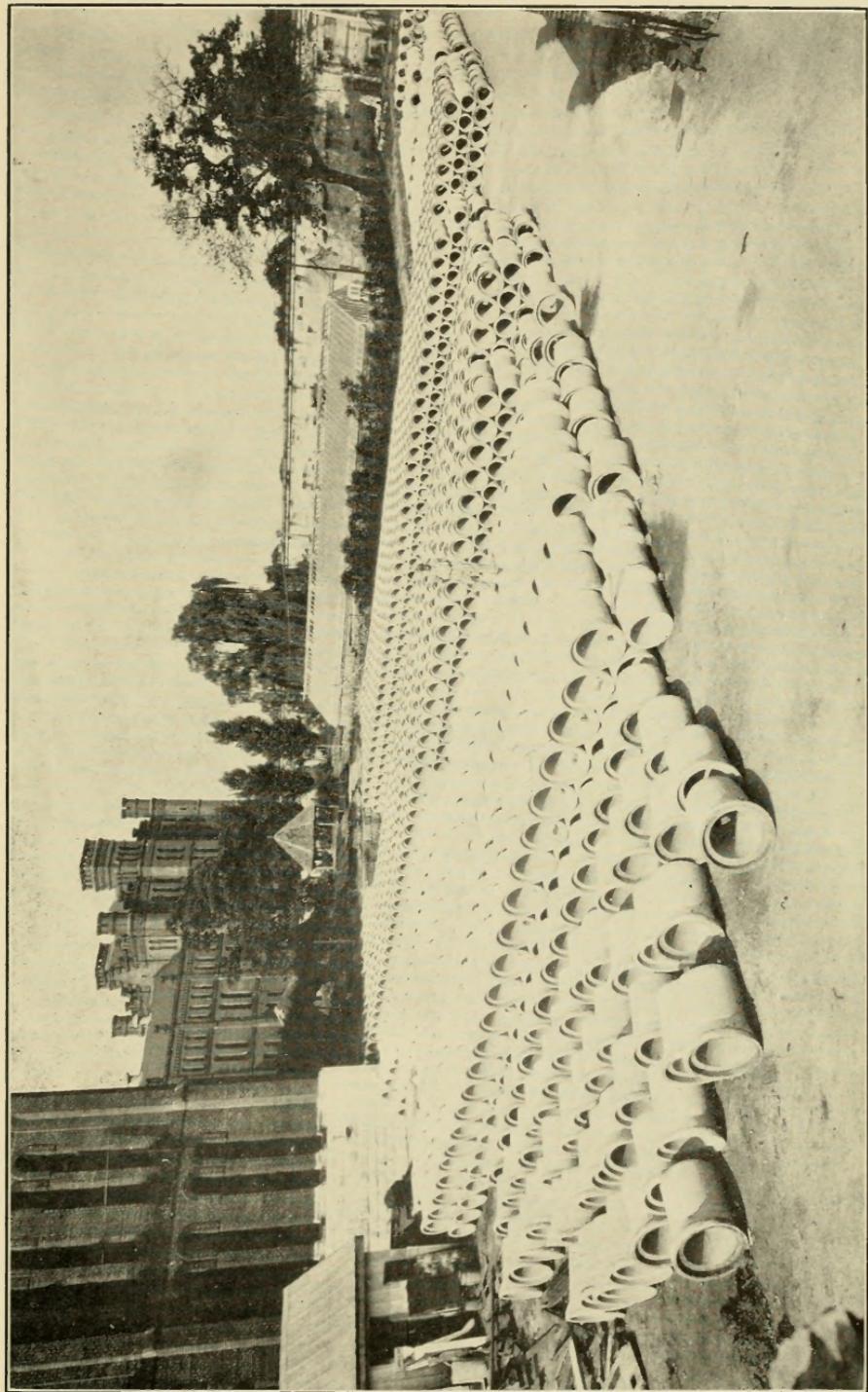
Surplus—Represented by total assets, as above 2,871,721.12

Respectfully submitted,

NATIONAL AUDIT ASSOCIATION.

GORG H. CALDWELL,

Resident Manager.



REINFORCED CONCRETE CULVERT STORED ON PRISON YARD FOR CURING.

REPORT OF AUDIT FOR CALENDAR YEAR 1926

*Honorable A. W. McLEAN, Governor,
Ex-Officio Director of the Budget,
Raleigh, North Carolina.*

DEAR SIR: We have examined the books of the State's Prison covering the calendar year 1926, and respectfully submit the following report:

1. SCOPE OF EXAMINATION

The scope of our examination covered the process of verification by internal check of the books of account; it did not include an outside verification of the Assets or the Liabilities.

2. ACTIVITIES OF STATE'S PRISON

The activities of the State's Prison are divided into the following organized units:

1. Administration
2. Central Prison
 - (a) Chair Factory
 - (b) Culvert Plant
 - (c) Laundry
 - (d) Sewing Room
 - (e) Mattress Factory
 - (f) Printing Plant
3. Caledonia Farm
4. Cary Farm
5. Camps:
 - Baker's Camp—Asheville
 - Barham's Camp—Tarboro
 - Berry's Camp
 - Champion Camp
 - Ewing's Camp
 - Hight's Camp
 - Raner's Camp
 - Cole's Camp
 - Rollin's Camp
 - Bailey's Camp
 - Holloway's and Gulley's Camp
 - Holloway's Camp
 - Cole's Camp—Rolesville

Baker's Camp—Wendell
 Rane's Camp—Winston-Salem
 McMillian's Camp
 Holloway's Camp—Bat Cave

The following is a tabulation of the Prison population at the close of the two past years:

	DEC. 31, 1925	DEC. 31, 1926
White Males	583	638
White Females	12	9
Colored Males	784	788
Colored Females	36	51
 Total	 1,415	 1,486
Revenue producing population	1,070	1,243
Non-revenue producing population	345	243

3. CALEDONIA FARM

The Caledonia Farm, owned by the State, is located in Halifax County and contains about 7,653 acres, of which 4,101 acres were cultivated during the year 1926. There were produced the following during the year 1926:

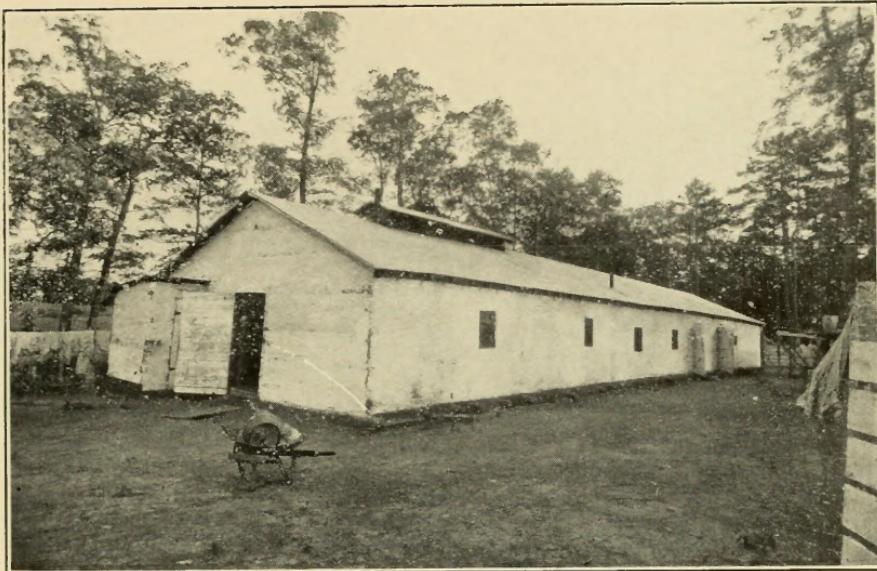
Cotton	2,250 acres	1,770 bales
Corn	1,170 acres	42,000 bushels
Peanuts	275 acres	7,392 bags
Wheat	300 acres	9,300 bushels

In addition to the above there were planted and produced the following which was consumed by the prison population:

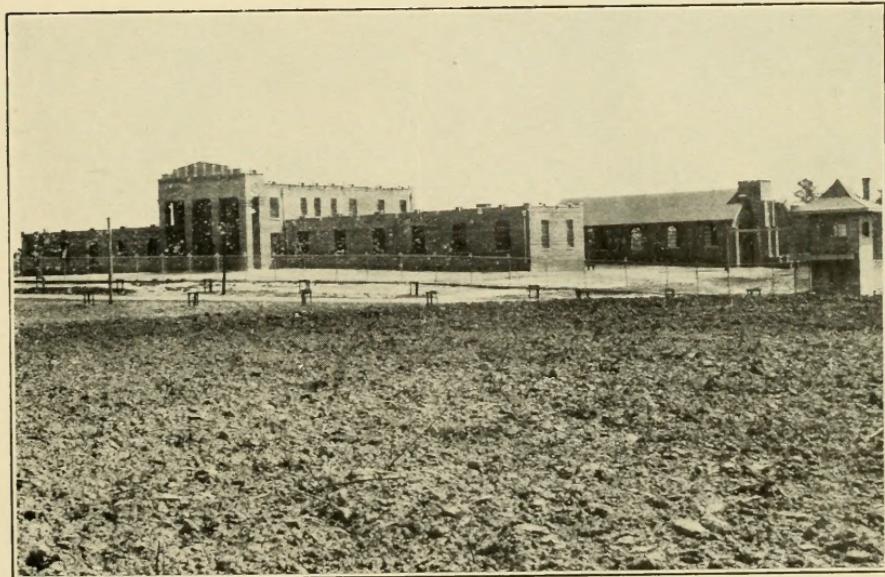
50 acres Potatoes (Irish)
50 acres Potatoes (Sweet)
625 acres Beans and Peas
300 acres Oats
75 acres Garden Truck

We have prepared a detailed statement of the classification of operating expenses and revenues of the Caledonia Farm covering the calendar year 1926, which shows the following:

Operating expenses for the year	\$245,379.79
Inventory beginning of year	383,320.29



THE OLD STATE'S PRISON CAMP FOR NEGROES
Cary, N. C.



THE NEW STATE'S PRISON CAMP FOR NEGROES
Erected 1923 with Prison labor and from Prison made brick, thereby effecting a saving
approximately \$40,000.00 over Contract Price
Cary, N. C.

Total	\$628,700.08
Operating Revenues for the year	\$296,486.69
Inventory close of year	312,604.50
<hr/>	<hr/>
Total	\$609,091.19
<hr/>	<hr/>
Total Operating Loss for the year	\$ 19,608.89

For the previous year, 1925, the net earnings of the Caledonia Farm amounted to \$51,820.99, and the loss sustained during the year just closed, is due to the unusual decline of the prices of the crops produced for sale.

4. CARY FARM

The Cary Farm which is owned by the State, is located in Wake County and contains about 2,680 acres of which 1,075 were cultivated during the year 1926. There were planted and produced the following:

Cotton	550 acres	415 bales
Corn	200 acres	750 barrels
Beans and Peas	175 acres	
Vegetables	50 acres	
Sweet Potatoes	25 acres	

We have prepared a statement of the classified operating expenses and revenues for the calendar year just closed, 1926, which shows the following:

Operating Expenses for the year	\$ 56,429.67
Inventory beginning of year	101,115.97
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Total	\$157,545.64
Operating Revenues for year	\$ 64,575.75
Inventory close of year	84,583.29
<hr/>	<hr/>
	149,159.04
Operating Loss for the year	\$ 8,386.60

For the year 1925, a profit of \$10,671.11 was earned. The loss for the year just closed is due to the decline of prices of farm products.

5. CENTRAL PRISON

We have prepared detailed statements of the operating expenses and

revenues of the Central Prison, and each of the organized activities in the Central Prison covering the calendar year 1926, which show the following:

Central Prison net Expenses	\$ 83,325.52
Less Earnings of:	
Tailor Shop and Convict labor and	
miscellaneous	\$ 21,676.16
Stores Department	8,141.88
Printing Plant	2,080.15
Laundry	584.53
Chair Factory	8,591.36
Culvert Plant	15,433.05
Green House	136.15

Total Earnings of Central Prison Activities	56,643.28

Net Loss of Central Prison for year 1926.....	\$ 26,682.24

6. CAMPS

We have also prepared detailed operating statements of each of the Camps, designated as Schedules numbered from one to seventeen inclusive, a summary of which shows the following:

Total Net earnings of the Camps	\$127,808.80
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The net earnings of the Camps for the year 1925 amounted to \$114,331.42. The net earnings of the Camps as shown by the various schedules for the year 1926 are as follows:

Baker's Camp—Asheville	\$ 16,160.41
Barham's Camp	8,227.43
Berry's Camp	23,721.01
Champion's Camp	5,598.67
Ewing's Camp	13,815.28
Hight's Camp	8,678.38
Rane's Camp	17,354.33
Cole's Camp—Waynesville	945.39
Rollin's Camp	5,093.49
Bailey's Camp	1,057.17
Holloway's and Gulley's Camp	2,075.11
Holloway's Camp, Chimney Rock	7,662.45
Cole's Camp—Rolesville	2,401.52
Baker's Camp—Wendell	5,961.28
Rane's Camp—Winston-Salem	7,871.51
McMillian's Camp	1,642.47

Total profits	\$128,265.90
Holloway's Camp (Loss)	457.10
Total net Earnings of Camps.....	\$127,808.80

7. GENERAL PROFIT AND LOSS ACCOUNT

We have prepared a statement of the General Profit and Loss Account covering the calendar year 1926, which shows that the net earnings of the State's Prison amounted to \$24,614.84, as against \$18,093.43 for the year 1925.

The following is the statement of the net earnings for the year, as shown by Exhibit "C":

<i>Central Prison Activities</i>	<i>Operating Revenues</i>	<i>Net</i>
Tailor's Shop	\$ 21,676.16	—
Stores Department	8,141.88	—
Printing Plant	2,080.15	—
Laundry	584.53	—
Chair Factory	8,591.36	—
Culvert Plant	15,433.05	—
Green House	136.15	—
 Total Central Prison net earnings	\$ 56,643.28	
Camp's Net Earnings	127,808.80	
 Total	\$184,452.08	
 <i>LESS—Net Expenses and Losses</i>		
Administrative Expenses	\$ 48,516.23	
Central Prison General Expenses	83,325.52	
Caledonia Farm Loss	19,608.89	
Cary Farm Loss	8,386.60	
 Total Expenses and losses	\$159,837.24	
 Net Earnings for the year	\$ 24,614.84	
 The Surplus of the Maintenance Fund of the State's Prison as shown by the analysis of the Surplus Account at the close of the year amounts to \$526,208.79. The following is a condensed statement thereof:		
 Surplus at December 31, 1925	\$577,155.44	
Net Earnings for the year	24,614.84	
 Total	\$601,770.28	

Deductions

Labor for Betterments	\$ 41,717.99
Receipts in excess of Vouchers	33,843.50

	75,561.49

Surplus of Maintenance Fund Dec. 31, 1926	\$526,208.79
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The cash account of the Maintenance Fund shows that the receipts were \$33,843.50 in excess of disbursements, arrived at as follows:

Receipts for year	\$544,497.58
Disbursements	510,654.08
Excess receipts.....	\$ 33,843.50

8. ASSETS AND LIABILITIES

We have prepared a statement of the Assets and Liabilities at the close of business December 31, 1926 which shows the following:

	<i>Assets</i>
<i>Accounts Receivable</i>	
(Due by Contractors for Convict labor)	\$ 58,506.83
<i>Inventories</i>	
Farm Products for sale at market prices	\$122,290.12
<i>Supplies and equipment</i>	
(Supplies at market value, and equipment at depreciated value)	348,036.97

	470,327.09
<i>Fixed Assets</i>	
At beginning of year	\$ 2,179,894.73
Added during the year	235,854.93

	2,415,749.66
<i>Total Assets</i>	<u>\$2,944,583.58</u>
<i>Liabilities</i>	
Accounts Payable	\$ 2,625.13
<i>Surplus</i>	
Maintenance Fund	\$ 526,208.79
Capital Account	2,415,749.66

	\$2,941,958.45

9. INVENTORIES

The inventories at December 31, 1926 amounting to \$470,327.09 are divided into the following units:

Administration	\$ 4,398.28
Central Prison	23,612.25
Caledonia Farm	312,604.50
Cary Farm	84,583.29
Camps	23,372.92
Printing Plant Stock	547.38
Stores	12,451.69
Tailor Shop	7,045.93
Mattress Factory	1,710.85
 Total	 \$470,327.09

The crop products for sale consisted of cotton, peanuts and cotton seed, and were valued at the following prices:

Caledonia Farm

Cotton, 1,270 Bales valued at 10c.
 Peanuts, 2,960 Bags valued at .04 1/4c. with Peanut Association.
 Peanuts, 4,431 Bags valued at .04 1/4c. at the Farm.
 Cotton Seed 698 Tons valued at \$24 per ton.

Cary Farm

Cotton, 415 Bales valued at 11 1/4 cents.
 Cotton Seed 142 Tons valued at \$24 per ton.

Valuation

Caledonia Farm	\$ 98,071.76
Cary Farm	24,218.36
 Total	 \$122,290.12

10. PERMANENT IMPROVEMENTS FUND

The Permanent Improvements Fund of the State Prison is a separate and distinct fund from the Maintenance Fund.

The expenditures of the Permanent Improvements Fund for the calendar year 1926, are as follows:

Caledonia Farm	\$117,387.14
Cary Farm	5,847.02

Central Prison	70,902.78
Total Expenditures	\$194,136.94

There were revenues belonging to this fund during the year amounting to \$7,350.30, which are as follows:

Caledonia Farm

Sale of Mules	\$ 1,064.70
Fire Insurance Collected	5,005.40
Total	\$ 6,070.10

Cary Farm

Sale of Mules	890.20
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Central Prison

Fire Insurance	390.00
Total Revenue	\$ 7,350.30

The total appropriations made by the General Assembly for the biennial two years ended June 30, 1926, were as follows:

	<i>Appropriation</i>	<i>Allotment</i>
Caledonia Farm	\$135,000.00	\$124,190.03
Cary Farm	20,000.00	8,003.17
Central Prison	149,000.00	76,421.39
Totals	\$304,000.00	\$208,614.59
Un-Allotted Balance		95,385.41
	\$304,000.00	\$304,000.00

The condition of the allotment accounts of the Permanent Improvements Fund at the close of the year, was as follows:

	<i>Allotment</i>	<i>Expenditures</i>
Caledonia Farm	\$124,190.03	\$117,387.14
Cary Farm	8,003.17	5,847.02
Central Prison	76,421.39	70,902.78
Totals	\$208,614.59	\$194,136.94
Unexpended Balance of Allotments		14,477.65
	\$208,614.59	\$208,614.59

It will be seen from the above two statements that the unexpended balance of the biennial appropriations for Permanent Improvements Fund amounts to \$109,863.09, which is made up as follows: -

Unexpended Allotments	\$ 14,477.65
Unallotted Appropriations	95,385.41
Total Available Balance	\$109,863.09

11. SYSTEM OF ACCOUNTS

Under the direction of the Budget Director, a modern system of accounts was installed, as at the beginning of the year, 1926.

The system provides for a complete schedule of accounts of the operating expenses and revenues of each of the organized units.

This system is known as the "Mechanical System of Accounts," and fulfills all requirements.

We found the books and accounts had been properly and accurately maintained, and our examination disclosed that no errors had been made in any of the accounts.

Respectfully submitted,

GEO. G. SCOTT & Co.,
Certified Public Accountants.

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